



**VEEFIN SOLUTIONS - FZCO
DUBAI, U.A.E.**

**FINANCIAL STATEMENTS
31 DECEMBER 2023**

**VEEFIN SOLUTIONS - FZCO
DUBAI, U.A.E.**

**FINANCIAL STATEMENTS
31 DECEMBER 2023**

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**VEEFIN SOLUTIONS - FZCO
DUBAI, U.A.E.**

**DIRECTORS' REPORT
31 DECEMBER 2023**

The Directors has pleasure in submitting his report along with the audited financial statements of Veefin Solutions - FZCO (The" company") for the year ended 31 December 2023.

Review of business

The Company is primarily engaged in business of Management Consultancies and Information Technology Consultants.

Business Operations Review

The table below summarised results for the year ended on 31 December 2023 and 31 December 2022.

Particulars	2023	2022
	AED	AED
Revenue	1,101,000	-
Gross Loss	(61,075)	
Net loss	(92,506)	(41,155)
Gross Loss Ratio	-6%	-
Net Loss Ratio	-8%	-

Events since the end of the year

The company is controlled and managed by Mr. Gautam Vijay Udani an Indian national by virtue of MOA dated February 2, 2021.

Shareholders and their interests

A list of shareholders and their interest in the share capital of the Entity as at 31 December 2023 was:

Name	Number of Shares	AED
Veefin Solutions Private Limited	100	10,000

M/s NBN Auditing of Accounts were appointed as auditors of the company for the year ended 31 December 2023. The Manager resolve to release M/s NBN Auditing of Accounts from any liabilities on auditing the financial statements for the ended 31 December 2023. M/s NBN Auditing of Accounts being eligible, have offered themselves for re- appointment for the year ending December 31 2024.

The financial statement for the year ended December 31, 2023 (including comparatives) were approved on 31 December, 2024.

G.V.Udani



MR. GAUTAM VIJAY UDANI

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Independent auditor's report

To,

Shareholder

VEEFIN SOLUTIONS - FZCO

Dubai, United Arab Emirates

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **VEEFIN SOLUTIONS - FZCO** ("the company"), **Dubai, United Arab Emirates** which comprise the statement of financial position as at **December 31, 2023**, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, subject to the points mentioned in the basis for Emphasis of Matter and other matter paragraphs, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at **December 31, 2023**, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs).

Emphasis of Matter-material uncertainty related to going concern

We draw attention to the Statement of changes in equity in which company Retained earning (accumulated loss) of AED 133,661 for the year ended 31 December 2023. However, the financial statements have been prepared on a going concern basis as the shareholder of the company have agreed to provide adequate financial support to meet its financial commitments for the foreseeable future. Our opinion is not modified in respect of this matter.

Other Matter Paragraph

We would like to address that Shareholder of Veefin Solutions FZCO i.e Veefin Solutions Private Limited name has been officially changed to Veefin Solutions Limited on May 11, 2023. This name change was made in accordance with applicable laws and regulations and following approval from the relevant authorities. However, the shareholder information of Veefin Solutions Limited has not yet been updated with the competent authority in Dubai, UAE, as of the date of this report."

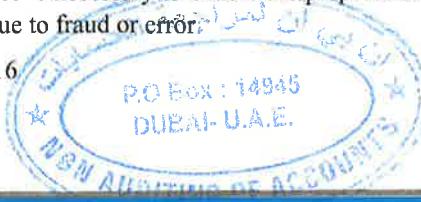
Management has informed us that the company's operating license expired on February 1, 2024. As of the date of the audit report, the updated license has not been provided to us. However, management has indicated that they expect to receive the renewed license shortly.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

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



Independent auditor's report "VEEFIN SOLUTIONS - FZCO" (Continued.)

In preparing the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

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

Report on other legal and regulatory requirements

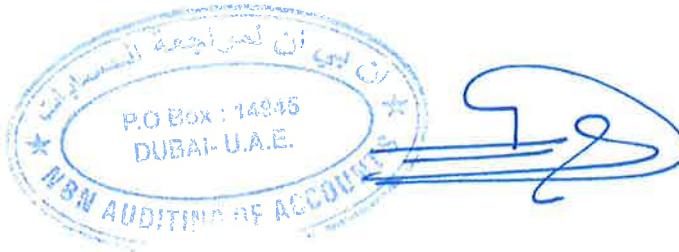
As required by Dubai Silicon Oasis Authority Implementing Regulations No. 1 of 2006 issued pursuant to Dubai Law No. (7) of 2004 as amended, we further confirm that,



Independent auditor's report "VEEFIN SOLUTIONS - FZCO" (Continued.)

- 1 We have obtained the information and explanations which we consider necessary for our audit, excepts mentioned in the basis of opinion paragraphs.
- 2 Subject to the paragraphs mentioned in the basis for opinion, the financial statements have been prepared and comply in all material respects with the applicable provisions of the U.A.E. Federal Commercial Companies Law No. 32 of 2021, and the Memorandum and Articles of Association of the Entity.
- 3 The management has compiled the financial statements on the basis of information, evidence and data that was available.
- 4 The contents of the Manager's report which relates to the financial statements are in agreement with the Entity's books of account.
- 5 The Entity has not made any investments in share and stocks during the period ended **December 31, 2023**.
- 6 Note 10 reflects material related party transaction and the terms under which they were conducted for the period ended **December 31, 2023**.
- 7 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 period ended, any of the applicable provisions of the Dubai Silicon Oasis Authority Implementing Regulations No. 1 of 2006 issued pursuant to Dubai Law No. (7) of 2004 as amended, or the Memorandum and Articles of Association of the Entity, which would materially affect its activities or its financial position as of **December 31, 2023**.

Ali Saleh Ali Mohammad
Managing Partner
Regn. No 509
M/s NBN Auditing of Accounts
Dubai - United Arab Emirates



December 31, 2024

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VEEFIN SOLUTIONS - FZCO
DUBAI, U.A.E.
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

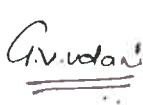
ASSETS	Notes	2023 AED	2022 AED
CURRENT ASSETS			
Account receivables	5	367,669	-
Cash and cash equivalents	6	106,441	34,066
		474,110	34,066
TOTAL ASSETS		474,110	34,066
EQUITY FUNDS AND LIABILITIES			
EQUITY FUNDS			
Share capital	7	10,000	10,000
Accumulated losses		(133,661)	(41,155)
Shareholders' current account	8	-	-
		(123,661)	(31,155)
CURRENT LIABILITIES			
Accounts payable and other payables	9	432,550	-
Due to related party	10	165,221	65,221
		597,771	65,221
TOTAL EQUITY FUNDS AND LIABILITIES		474,110	34,066

The accounting policies and notes on page 7 to 16 form an integral part of these financial statements.

The Auditors' report is set forth on page 2 - 2B.

The financial statement for the year ended December 31, 2023 (including comparatives) were approved as of 31 December, 2024.

For VEEFIN SOLUTIONS - FZCO



MR. GAUTAM VIJAY UDANI



**VEEFIN SOLUTIONS - FZCO
DUBAI, U.A.E.**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED TO 31 DECEMBER 2023**

	Notes	2023 AED	2022 AED
REVENUE	11	1,101,000	-
Cost of sales	12	(1,162,075)	-
GROSS PROFIT		(61,075)	-
Administrative expenses	13	(21,751)	(37,124)
OPERATING LOSS		(82,826)	(37,124)
Finance costs	14	(10,088)	(4,031)
Other income	15	408	-
NET LOSS FOR THE YEAR		(92,506)	(41,155)

The accounting policies and notes on page 7 to 16 form an integral part of these financial statements.

The Auditors' report is set forth on page 2 - 2B.



VEEFIN SOLUTIONS - FZCO
DUBAI, U.A.E.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED TO 31 DECEMBER 2023

	Share capital AED	Accumulated losses AED	Shareholders' current account AED	Total AED
As at 1 January 2022	10,000	-	(10,000)	-
Loss for the year	-	(41,155)	-	(41,155)
Net movement during the year	-	-	10,000	10,000
As at 31 December 2022	10,000	(41,155)	-	(31,155)
Loss for the year	-	(92,506)	-	(92,506)
As at 31 December 2023	10,000	(133,661)	-	(123,661)

The accounting policies and notes on page 7 to 16 form an integral part of these financial statements.



VEEFIN SOLUTIONS - FZCO
DUBAI, U.A.E.

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED TO 31 DECEMBER 2023

	Notes	2023 AED	2022 AED
Cash flows from operating activities			
Loss for the year		(92,506)	(41,155)
Operating (loss) before changes in operating assets and liabilities		(92,506)	(41,155)
(Increase) in account receivables		(367,669)	-
Increase in account payables		432,550	-
Increase in due to related party		100,000	65,221
Net cash from operating activities (A)		72,375	24,066
Cash flows from financing activities			
Net movement in shareholders' current account		-	10,000
Net cash from financing activities (B)		-	10,000
Net increase in cash and cash equivalents (A+B)		72,375	34,066
Cash and cash equivalents at beginning of the year		34,066	-
Cash and cash equivalents at end of the year	6	106,441	34,066

The accounting policies and notes on page 7 to 16 form an integral part of these financial statements.



VEEFIN SOLUTIONS - FZCO
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED TO 31 DECEMBER 2023

1 LEGAL STATUS AND BUSINESS ACTIVITY

- a) **VEEFIN SOLUTIONS - FZCO** (License no. - 5807) was registered with Dubai Silicon Oasis Authority, Dubai Integrated Economic Zones on 2 February 2021 as a Free Zone Company (Registration No. DSO-FZCO-4602. The registered address of the Company is DSO-IFZA, Dubai Silicon Oasis, Dubai, U.A.E.
- b) The Company is primarily engaged in business of Management Consultancies and Information Technology Consultants.
- c) The Company is controlled and managed by Mr. Gautam Vijay Udani, a India national.

2 SHAREHOLDING

The shareholding of the Company is as follows:

Name	Origin	Number of shares	AED
Veefin Solutions Private Limited	India	100	10,000
		100	10,000

3 NEW STANDARDS AND AMENDMENTS

3.1 New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)

The Company has adopted IFRS 17 and the related amendments for the first time in the current year. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The Company has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The definition of a change in accounting estimates was deleted.

**VEEFIN SOLUTIONS - FZCO
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED TO 31 DECEMBER 2023**

3.1 New and amended IFRS Accounting Standards that are effective for the current year (Continued)

Amendments to IAS 1	The Company has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.
Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction	The Company has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit. Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.
Amendments to IAS 12 Income Taxes—International Tax Reform Pillar—Two Model Rules	The Company has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top up taxes described in those rules. The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. Following the amendments, the Company is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

**VEEFIN SOLUTIONS - FZCO
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED TO 31 DECEMBER 2023**

3.2 New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the parent company anticipate that the application of these amendments may have an impact on the Company's consolidated financial statements in future periods should such transactions arise.

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early. The directors of the parent company anticipate that the application of these amendments may have an impact on the Company's consolidated financial statements in future periods.

**VEEFIN SOLUTIONS - FZCO
DUBAI, U.A.E.**

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

3.2 New and revised IFRS Accounting Standards in issue but not yet effective (Continued)

Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early. The directors of the parent company anticipate that the application of these amendments may have an impact on the Company's consolidated financial statements in future periods.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

**VEEFIN SOLUTIONS - FZCO
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED TO 31 DECEMBER 2023**

3.2 New and revised IFRS Accounting Standards in issue but not yet effective (Continued)

The amendments, which contain specific transition reliefs for the first annual reporting period in which an company applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate. As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability. The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

4 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

These financial statements are prepared under the historical cost convention and in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and Dubai Silicon Oasis Authority Implementing Regulations No. 1 of 2006 issued pursuant to Dubai Law No. (7) of 2004 as amended

b) Accounting convention

These financial statements have been prepared under the historical cost convention. The fair / net realizable value concept of measurement of assets and liabilities has also been applied wherever applicable under IFRSs.

c) Presentation currency

These financial statements have been expressed in AED, which is the reporting currency of the Company.
The figures have been rounded off the nearest 1-AED.

d) Summary of Significant accounting Policies

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

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

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Foreign currency transactions

Transactions in foreign currencies are translated into AED at the rate of exchange ruling on the date of the transactions. However, for reporting purposes, every figure is translated in AED.

Monetary assets and liabilities expressed in foreign currencies are translated into USD 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.

ii) Revenue from Contracts from Customers.

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer to promised goods and services to customers in an amount that reflects the consideration to which the entity expected to be entitled in exchange for those goods or services. Specifically, the standard introduce a 5- steps approach to revenue recognition:

Step 1 : Identify the contract(s) with customer.

Step 2 : Identify the performance obligations in the contract.

Step 3 : Determine the transaction price.

Step 4 : Allocate the transaction price to the performance obligations in the contract.

Step 5 : Recognise revenue when (or as) the entity satisfied a performance obligation.

Under IFRS 15, an entity recognise when (or as) a performance obligation is satisfied. i.e. when 'control' of the goods and services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosure are required by IFRS 15.

iii) Provisions

Provisions are recognized when the Company 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.

iv) Cash and cash equivalents

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

v) Property, plant and equipment

Property, plant and equipment 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 using the following rates.

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

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

vi) Value added tax (VAT)

Value added tax (VAT) is charged on supply of goods and services in the United Arab Emirates and recovered on purchases of goods and services locally purchased. Expenses and assets are recognised net of the amount of VAT except for when it is not recoverable. The net amount of VAT recoverable from or payable to taxation authority is included as part of current asset or current liability.

vii) Taxation

The income tax expense represents the sum of current and deferred income tax expense.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the parent company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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**NOTES TO THE FINANCIAL STATEMENTS
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4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

	2023	2022
	AED	AED
5 ACCOUNTS RECEIVABLE		
Accounts receivables	<u>367,669</u>	-
	<u>367,669</u>	-
All of the Company accounts receivable have been reviewed for indicators of impairment and none of the receivables were found to be impaired.		
The age analysis of accounts receivable is as follows:		
More than 3 months	<u>367,669</u>	-
Total	<u>367,669</u>	-
Accounts receivable are non interest-bearing. The Company's credit period is 90 days after which accounts receivable are considered to be past due. Unimpaired accounts receivable are expected, on the basis of past experience, to be fully recoverable.		
6 CASH AND CASH EQUIVALENTS		
Cash at bank	<u>106,441</u>	34,066
	<u>106,441</u>	34,066
7 SHARE CAPITAL		
100 shares of AED 100/- each	<u>10,000</u>	10,000
	<u>10,000</u>	10,000
8 SHAREHOLDERS' CURRENT ACCOUNT		
Opening balances	-	(10,000)
Net movement during the period	<u>-</u>	10,000
	<u>-</u>	-
9 ACCOUNT PAYABLES AND OTHER PAYABLE		
Account payables	<u>428,050</u>	-
Other payables	<u>4,500</u>	-
	<u>432,550</u>	-

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	2023 AED	2022 AED
10 RELATED PARTY TRANSACTION		
Due to Related Parties		
Mr. Ajay Rajendran	25,000	25,000
M/s. Merarki Education Holding Ltd	40,221	40,221
Templeton Solutions FZE	<u>100,000</u>	-
Total	<u><u>165,221</u></u>	<u><u>65,221</u></u>
A related party is considered to be related to the Company the party has the ability, directly or indirectly to exercise significant influence over the Company in making financial and operating decision or vice versa or where the Company and the party are subject to common control or significant influence. parties comprise entities under common ownership and/or common management and control, their parents and key management personnel.		
11 REVENUE		
Sales - outside UAE	<u>1,101,000</u>	-
	<u><u>1,101,000</u></u>	<u><u>-</u></u>
12 COST OF SALES		
Direct expense	<u>1,162,075</u>	-
	<u><u>1,162,075</u></u>	<u><u>-</u></u>
13 ADMINISTRATIVE AND OPERATING EXPENSES		
Legal and professional expenses	<u>21,751</u>	37,124
	<u><u>21,751</u></u>	<u><u>37,124</u></u>
14 FINANCE COSTS		
Bank charges	<u>10,088</u>	4,031
	<u><u>10,088</u></u>	<u><u>4,031</u></u>
15 OTHER INCOME		
Exchanges gain	<u>408</u>	-
	<u><u>408</u></u>	<u><u>-</u></u>
16 COMPANY'S RISK MANAGEMENT POLICES		

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.

Credit risk

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally loan and advances, account receivables and bank balances.

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16 COMPANY'S RISK MANAGEMENT POLICES (Continued)

Currency risk

Credit risk relating to accounts receivable 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 Company 's bank accounts are placed with high credit quality financial institutions.

There are no significant exchange rate risk as substantially all financial assets and liabilities are denominated in AED.

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.

17 CONTINGENT LIABILITIES

There have been no known contingent liabilities of the company's financial statements as of reporting date.

18 SUBSEQUENT EVENTS

There are no significant events since the end of the financial period and the date of this report, which is likely to affect substantially the result of the operations or the financial position of the Company.

19 COMPARATIVE FIGURES

Previous year's figures have been reclassified/reestablishment wherever necessary to conform to presentation adopted in these financial statements. Figures of the Company have been rounded off to nearest AED 1-.

The accounting policies and notes on page 7 to 16 form an integral part of these financial statements.