

NEWGEN SOFTWARE TECHNOLOGIES L.L.C
DUBAI, U.A.E.

FINANCIAL STATEMENTS
31 MARCH 2023

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DUBAI, U.A.E.

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31 MARCH 2023

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NEWGEN SOFTWARE TECHNOLOGIES L.L.C
DUBAI, U.A.E.

DIRECTORS' REPORT
31 MARCH 2023

The Directors have pleasure in submitting this report and the audited financial statements for the period ended from 15 June 2022 to 31 March 2023.

Review of business

The principal activity of the Company is Data Classification & Analysis Services, Education & Training Computer Software, Data Management & Cyber Security Services, IT Infrastructure, Information Technology Network Services, Computer Systems & Communication Equipment Software Design and Cloud Service & Datacenters Providers.

Business Operations Review

The table below summarized results of period ended from 15 June 2022 to 31 March 2023.

Particulars	2023
	AED
Revenue	4,217,883
Net Profit	14,442
Net Profit Ratio	0.34%

Events since the end of the period

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

Shareholders and their interests

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

Name	Share of AED 1000 each
M/s Newgen Software Technologies Limited (Indian Company)	3000

Major banks and financial institutions

Citi Bank

Auditors

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



Diwakar Nigam

Director

26 April, 2023

Independent auditor's report

To,
Shareholder
NEWGEN SOFTWARE TECHNOLOGIES L.L.C
UNITED ARAB EMIRATES
Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **NEWGEN SOFTWARE TECHNOLOGIES L.L.C**, - United Arab Emirates ("Entity") which comprise the statement of financial position as at **March 31, 2023**, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the period from **15 June 2022 to 31 March 2023**, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at **March 31, 2023**, and its financial performance and its cash flows the period from **15 June 2022 to 31 March 2023**, in accordance with International Financial Reporting Standards (IFRSs).

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 evidence we have obtained is 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.

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.

Independent auditor's report on NEWGEN SOFTWARE TECHNOLOGIES L.L.C (Continued)

- 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 the U.A.E. Federal Law No. 32 of 2021, we further confirm that,

- 1 We have obtained all the information and explanations which we consider necessary for our audit.
- 2 The financial statements have been prepared and comply in all material respects with the applicable provisions of the U.A.E. Federal 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 Directors' 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 **March 31, 2023**.
- 6 The financial statements reflects the disclosures relating to material related party transactions and the terms under which they were conducted.
- 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 year ended, any of the applicable provisions of the U.A.E Federal Law No. 32 of 2021, or the Memorandum and Articles of Association of the Entity, which would materially affect its activities or its financial position as of **March 31, 2023**.



Umendra Chaturvedi
Managing Partner
Regn. No. 759

Nadeem and Umendra Chartered Accountants
Dubai - United Arab Emirates

April 26, 2023



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A member of



NEWGEN SOFTWARE TECHNOLOGIES L.L.C
DUBAI, U.A.E.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

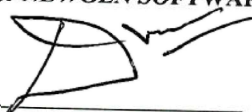
	Note	2023 AED
CURRENT ASSETS		
Accounts receivable	5	449,208
Other receivables	6	70,042
Cash and cash equivalents	7	4,855,977
		5,375,227
TOTAL ASSETS		
		5,375,227
CURRENT LIABILITIES		
Accounts and other payables	8	2,360,785
		2,360,785
EQUITY FUNDS		
Share capital		3,000,000
Retained earnings	9	14,442
		3,014,442
TOTAL EQUITY AND LIABILITIES		
		5,375,227

The accounting policies and notes on page 7 to 13 form an integral part of these financial statements.

The Auditors' report is set forth on page 2 and 2A

Approved by the Directors on 26 April, 2023.

For NEWGEN SOFTWARE TECHNOLOGIES L.L.C



Diwakar Nigam
Director



NEWGEN SOFTWARE TECHNOLOGIES L.L.C
DUBAI, U.A.E.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED FROM 15 JUNE 2022 TO 31 MARCH 2023

	Note	For the period from 15 June 2022 to 31 March 2023 AED
REVENUE	10	4,217,883
Administrative expenses	11	<u>(4,188,231)</u>
OPERATING PROFIT		29,652
Finance costs	12	<u>(15,210)</u>
NET PROFIT FOR THE PERIOD		<u><u>14,442</u></u>

The accounting policies and notes on page 7 to 13 form an integral part of these financial statements.

The Auditors' report is set forth on page 2 and 2A

Approved by the Directors on 26 April, 2023.

For NEWGEN SOFTWARE TECHNOLOGIES L.L.C



Diwakar Nigam
Director



NEWGEN SOFTWARE TECHNOLOGIES L.L.C
DUBAI, U.A.E.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED FROM 15 JUNE 2022 TO 31 MARCH 2023

	Share Capital	Retained	Total
	AED	earnings	AED
		AED	AED
Introduce of share capital	3,000,000	-	3,000,000
Profit for the period	-	14,442	14,442
As at 31 March 2023	<u>3,000,000</u>	<u>14,442</u>	<u>3,014,442</u>

The accounting policies and notes on page 7 to 13 form an integral part of these financial statements.



NEWGEN SOFTWARE TECHNOLOGIES L.L.C
DUBAI, U.A.E.

STATEMENT OF CASH-FLOWS
FOR THE PERIOD ENDED FROM 15 JUNE 2022 TO 31 MARCH 2023

		For the period from 15 June 2022 to 31 March 2023
	Note	AED
Cash flows from operating activities		
Profit for the period		14,442
Operating profit before changes in operating assets and liabilities		<u>14,442</u>
(Increase) / decrease in accounts receivable		(449,208)
(Increase) in other receivables		(70,042)
Increase in accounts and other payables		2,360,785
Net cash from operating activities (A)		<u>1,855,977</u>
Cash flows from financing activities		
Share capital introduced		3,000,000
Net cash (used in) financing activities (B)		<u>3,000,000</u>
Net increase in cash and cash equivalents (A+B)		4,855,977
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period	7	<u><u>4,855,977</u></u>

The accounting policies and notes on page 7 to 13 form an integral part of these financial statements.



**NEWGEN SOFTWARE TECHNOLOGIES L.L.C
DUBAI, U.A.E.**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FROM 15 JUNE 2022 TO 31 MARCH 2023**

1 LEGAL STATUS AND BUSINESS ACTIVITY

- a) **NEWGEN SOFTWARE TECHNOLOGIES L.L.C** was initially registered in Dubai on 15 June, 2022 as a Limited Liability Company - Single Owner under the U.A.E. Federal Commercial Company Law. The registered address of the Company is Office No. 052-225, King Rashid Khalifa Rashid Belhoul Al Muhairi, Al Barsha First - Bur Dubai, Dubai, United Arab Emirates.
- b) The principal activity of the Company is Data Classification & Analysis Services, Education & Training Computer Software, Data Management & Cyber Security Services, IT Infrastructure, Information Technology Network Services, Computer Systems & Communication Equipment Software Design and Cloud Service & Datacenters Providers.
- c) The Company is controlled and managed by Mr. Prashant Sahai Kamleshwar Sahai, an Indian national.

2 SHAREHOLDING

The shareholding of the Company is as follows

Name	Number of shares	AED
M/s Newgen Software Technologies Limited (Indian Company)	3,000	3,000,000
	<u>3,000</u>	<u>3,000,000</u>

3 New standards and amendments

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

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective.

New and revised IFRSs

**Effective for annual periods
beginning on or after**

Amendments to IAS 1-Classification of Liabilities as Current or Non-Current. This is aimed at promoting reporting consistency by helping companies to determine debt and other liabilities with an uncertain settlement time period to classified as current or non-current.

January 1, 2024

Amendments to IFRS 17-The main changes are deferral of date of initial application, additional scope inclusion for credit card contracts, recognition of insurance acquisition and cash flows in respect of renewal of contracts and other relevant and contentious matters.

January 1, 2023

Amendment to IAS 1-Classification of Liabilities as Current or Non-current — Deferral of Effective Date of January 2020 amendments.

January 1, 2024



NEWGEN SOFTWARE TECHNOLOGIES L.L.C
DUBAI, U.A.E.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FROM 15 JUNE 2022 TO 31 MARCH 2023

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

Amendments to IAS 12-Deferred Tax related to Assets and Liabilities arising from a Single Transaction. January 1, 2023

Amendments to IAS 1 and IFRS Practice Statement 2-Disclosure of Accounting Policies. The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy through the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. January 1, 2023

Amendments to IAS 8 - Definition of Accounting Estimates. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. January 1, 2023

Amendment to IFRS 17 - Initial Application of IFRS 17 and IFRS 9 — Comparative Information. As and when applied

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback. The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. January 1, 2024

Amendments to IAS 1- Non-current Liabilities with Covenants. The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. January 1, 2024

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

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 the requirements of UAE Federal Law No. 32 of 2021, as amended. The management has compiled the financial statements on the basis of information, evidence and data that was available.



NEWGEN SOFTWARE TECHNOLOGIES L.L.C
DUBAI, U.A.E.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FROM 15 JUNE 2022 TO 31 MARCH 2023

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:

i) Revenue recognition

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. 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.

ii) Foreign currency transactions

Transactions in foreign currencies are translated into UAE Dirhams 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 UAE Dirhams 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.



NEWGEN SOFTWARE TECHNOLOGIES L.L.C
DUBAI, U.A.E.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FROM 15 JUNE 2022 TO 31 MARCH 2023

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) 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.

	2023 AED
5 ACCOUNTS RECEIVABLE	
Accounts receivable*	449,208
	<u>449,208</u>
<p>All of the Company accounts receivable have been reviewed for indicators of impairment and none of the receivables were found to be impaired. (31 March 2023: nil)</p> <p>The age analysis of accounts receivable is as follows:</p>	
Less than 30 days	449,208
Total	<u>449,208</u>
<p>Accounts receivable are non interest bearing. The Company's credit period is 30 days after which receivables are considered to be past due. Unimpaired accounts receivable are expected, on the basis of past experience, to be fully recoverable.</p>	
6 OTHER RECEIVABLES	
Deferred contract cost	70,042
	<u>70,042</u>
7 CASH AND CASH EQUIVALENTS	
Cash at bank	4,855,977
	<u>4,855,977</u>



NEWGEN SOFTWARE TECHNOLOGIES L.L.C
DUBAI, U.A.E.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FROM 15 JUNE 2022 TO 31 MARCH 2023

	2023 AED
8 ACCOUNTS AND OTHER PAYABLES	
Expense payables	14,654
Export commission payables	181,457
Differed revenue	1,312,073
Due to related party (Note no. 8.1)	744,828
VAT payables	107,773
	<u>2,360,785</u>
8.1 RELATED PARTY TRANSACTIONS	
Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over party in making financial and operating decisions.	
Due to shareholders	
Newgen Software Technologies Limited (Note no. 8)	744,828
	<u>744,828</u>
9 SHARE CAPITAL	
3000 Shares of AED 1,000/- each	<u>3,000,000</u>



NEWGEN SOFTWARE TECHNOLOGIES L.L.C
DUBAI, U.A.E.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FROM 15 JUNE 2022 TO 31 MARCH 2023

	For the period from 15 June 2022 to 31 March 2023 AED
10 REVENUE	
Sales (Within U.A.E)	<u><u>4,217,883</u></u>
11 ADMINISTRATIVE EXPENSES	
Offshore Development and support costs	3,664,552
Rent	12,000
Legal, professional and visa charges	77,135
Commission	418,068
Back Off Support Service Cost	16,276
Other expenses	200
	<u><u>4,188,231</u></u>
12 FINANCE COSTS	
Bank charges	9,000
Foreign exchange gain/loss	6,210
	<u><u>15,210</u></u>

13 COMPANY'S RISK MANAGEMENT POLICIES

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 bank balances and accounts and other receivables.

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.



NEWGEN SOFTWARE TECHNOLOGIES L.L.C
DUBAI, U.A.E.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FROM 15 JUNE 2022 TO 31 MARCH 2023

Currency risk

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

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.

14 SUBSEQUENT EVENTS

On 31 January 2022, the UAE Ministry of Finance announced the introduction of a corporate income tax (the "CIT") on business profits. Subsequently, on 9 December 2022, the UAE issued the Federal Decree-Law No. (47) of 2022 on the taxation of corporations and businesses. The Company's UAE business will be subject to CIT starting from 1 January 2024 and will apply on the adjusted accounting net profit of the business. For businesses operating in mainland UAE a 9% CIT rate will be applicable on income exceeding AED 375,000. The Company is in the process of assessing the impact of the introduction of CIT and transfer pricing based on its structure.

15 COMPARATIVE FIGURES

There are no comparative figures as this is the first financial period started from 15 June 2022 to 31 March 2023. All figures have been rounded off to the nearest AED 1/-.

The accounting policies and notes on page 7 to 13 form an integral part of these financial statements.

