

**RTS FASHION LIMITED
JEBEL ALI FREE ZONE
DUBAI – UNITED ARAB EMIRATES**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED MARCH 31,2023**

**RTS FASHION LIMITED
JEBEL ALI FREE ZONE, DUBAI – UNITED ARAB EMIRATES**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED March 31, 2023**

TABLE OF CONTENTS

	<u>Pages</u>
Manager's Report	1 - 2
Independent Auditors' Report	3 - 4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Changes in Shareholders' Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 15

RTS FASHION LIMITED
MANAGING DIRECTOR'S REPORTS

The Managing Director has pleasure in submitting his report and Accounts of the company for the financial year ended 31st March, 2023.

LEGAL STATUS AND SHAREHOLDER'S FUNDS:

M/s RTS Fashion Limited ("the COMPANY") is registered in Jebel Ali Free Zone, Dubai -United Arab Emirates was incorporated on September 5,2019 and operates as an offshore company with limited liability in United Arab Emirates under an incorporation certificate issued by Jebel Ali Freezone Authority of the Government of Dubai.

Name	Total Capital
M/S. Mirza International Limited, India	4,000,000
TOTAL	1,000,000

OPERATION OF THE COMPANY

The license activities are Companies are Owing real Properties, Investment in limited liability Companies, Partnership, Joint Venture and any other company in United Arab Emirates or anywhere in the world.

The financial highlights of the company are as below;

	Amount AED
	31-Mar-23
Net Profit/ (Loss)	(5,190)
Total Liabilities	10,043
Equity & Shareholder's funds	4,942,492

RESULTS & APPROPRIATIONS

Results for the year and appropriations from profit are as an Amount (AED)

	31-Mar-23
Retained Earnings-brought forward	947,682
Net profit/(loss) for the year/period	(5,190)
Retained earnings- carried forward	<u>942,492</u>



**RTS FASHION LIMITED
MANAGING DIRECTOR'S REPORTS**

STATEMENT OF MANAGING DIRECTOR'S RESPONSIBILITY

The Managing Directors is responsible for preparing the financial statements for each financial year which gives a true and fair view of the state of affairs of the Companies and of the net profit or loss for the financial year.

The financial statements for the year ended have been prepared in conformity and in compliance with the requirements of the International Financial Reporting Standards, relevant statutory requirements and other governing laws. The Managing Directors confirms that sufficient care has been taken for the maintenance of proper and adequate accounting records that discloses with reasonable accuracy at any time, the financial position of the companies and enables to ensure that financial statements comply with the requirements of applicable statute. The Managing Director also confirms that appropriate accounting policies have been selected and applied consistently in order that financial statements reflect fairly the form and substance of the transaction carried out during the year under review and reasonably presents the Companies financial conditions and result of its operations.

EVENTS OCCURING AFTER REPORTING DATE

There were no important events occurring after the end of reporting period that would materially affect the working or the financial statements of the company.

AUDITORS

Tradex Auditing of Accounts, PO.BOX 120591, Dubai, UAE, have offered themselves for reappointment as Auditor for next year.

FOR RTS FASHION LIMITED



AUTHORIZED SIGNATORY



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

Report on the Financial Statements

We have audited the accompanying financial statements of **M/S RTS FASHION LIMITED**, **Jebel Ali Free Zone, Dubai – United Arab Emirates** which comprise the statement of financial position as of March 31, 2023 and the statement of comprehensive income, statement of changes in shareholders' equity, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles, to ensure that the financial statements comply with the relevant provisions of the Articles of Association of the Company and the provisions of the Implementing Regulation to Jebel Ali Free Zone Companies. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted accounting standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance, whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting principles used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Auditors' Responsibility (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Subject to the above, in our opinion, the financial statements present fairly in all material respects, the financial position of **M/S RTS FASHION LIMITED, Jebel Ali Free Zone, Dubai – United Arab Emirates** as of March 31, 2023 and of its financial performance and cash flows for the year then ended, in accordance with Generally Accepted Accounting Principles.

Report on other legal and regulatory requirements

As required by the provisions of the Implementing Regulation to Jebel Ali Free Zone companies, we further confirm that,

1. We have obtained all the information and explanations necessary for our audit.
2. We are not aware of any contraventions during the year, of the above-mentioned Law or the Company's Articles of Association; which may have materially effected the financial position of the Company, or the result of its operations for the year.



ZAMEER MOHAMED SHAIKH
TRADEX Auditing of Accounts
Dubai – United Arab Emirates
Reg. No. : (1282)
Date : 19th May 2023




RTS Fashion Limited
Jebel Ali Free Zone - Dubai

Statement Of Financial Position
As of 31st March, 2023
(IN UNITED ARAB EMIRATES)

	<u>Notes</u>	<u>31-03-2023</u> <u>AED</u>	<u>31-03-2022</u> <u>AED</u>
Assets			
Non-current assets:			
Investment in Subsidiaries	4	2,921,987	2,921,987
Total non current assets	A	2,921,987	2,921,987
Current Assets			
Other Receivables And Prepayments	6	-	307
Cash and Cash Equivalents	5	70,145	49,431
Due From Related Parties	7	1,960,403	1,986,000
Total current assets	B	2,030,548	2,035,738
Total assets	A+B	4,952,535	4,957,725
Equity & Liabilities			
Shareholders' equity:			
Share capital	9	4,000,000	4,000,000
Retained Earnings	8	942,492	947,682
Total shareholders' funds	A	4,942,492	4,947,682
Current liabilities:			
Due To Related Parties	11	7,942	7,942
Trade and other Payables	10	2,101	2,101
Total Liabilities	B	10,043	10,043
Total shareholders' equity and liabilities	A+B	4,952,535	4,957,725

The accompanying notes form an integral part of these financial statements.
The Report of the Auditors is set out on pages 3 and 4.

The financial statements on pages 5 to 12 were approved by the Board of Directors on 16th May , 2023 and signed on its behalf by:



Authorized Signatory/POA Holder
RTS Fashion Limited



RTS Fashion Limited
Jebel Ali Free Zone - Dubai

**Statement Of Comprehensive Income
For the Period of 31st March, 2023
(IN UNITED ARAB EMIRATES)**

	Notes	31-03-2023 AED	31-03-2022 AED
Revenue	12	-	-
Cost of sales	13	-	-
Gross profit		-	-
Operating Expenses			
Administrative Expense	14	-	-
Finance Cost		(5,190)	(7,262)
Other Income		-	38,000
Total Comprehensive Profit/(loss) for the period		(5,190)	30,738

The accompanying notes form an integral part of these financial statements.
The Report of the Auditors is set out on pages 3 and 4.

The financial statements on pages 5 to 12 were approved by Board of Directors at 16th May, 2023 and signed on its behalf by:



Authorized Signatory/POA Holder
RTS Fashion Limited



RTS Fashion Limited
Jebel Ali Free Zone - Dubai

Statement of Changes in Shareholder's Equity
For the Period of 31st March, 2023
(IN UNITED ARAB EMIRATES)

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	AED	AED	AED
At 31st March 2021	4,000,000	916,944	4,916,944
Comprehensive Profit/loss for the year	-	30,738	30,738
At 31st March , 2022	<u>4,000,000</u>	<u>947,682</u>	<u>4,947,682</u>
Comprehensive Profit/loss for the year	-	(5,190)	(5,190)
At 31st March , 2023	<u>4,000,000</u>	<u>942,492</u>	<u>4,942,492</u>

The accompanying notes form an integral part of these financial statements.
The Report of the Auditors is set out on pages 3 and 4.



RTS Fashion Limited
Jebel Ali Free Zone - Dubai

Statement of Cash Flows
For the Period of 31st March, 2023
(IN UNITED ARAB EMIRATES)

PARTICULARS	31-03-2023	31-03-2022
	AED	AED
CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit / (loss) for the year	(5,190)	30,738
Income from sale of Investment in subsidiaries	-	(38,000)
Adjustments for non cash item:		
Provision for employees' End of Services	-	-
Operating cash flow before changes in net operating assets	(5,190)	(7,262)
(Increase) / Decrease in Current Assets	307	(81,000)
(Increase) / Decrease in other Current Assets	25,597	(307)
(Increase) / Decrease in other Current Assets	-	-
Increase /(Decrease) in Accounts payable	-	-
(Increase) / Decrease in due to related party	-	-
Increase / (Decrease) in other payables	-	-
Net cash flow from /(used in) operating activities.	20,714	(88,569)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sales of investment in subsidiaries	-	138,000
Net cash flow from /(used in) investing activities.	-	138,000
CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital	-	-
Net movement in current account	-	-
Net Cash Flow from /(used in) financing activities	-	-
Net increase/ (decrease) in cash and cash equivalents	20,714	49,431
Cash and cash equivalents, beginning of the year	49,431	-
Cash and cash equivalents,at end of the year	70,145	49,431



1) LEGAL STATUS AND BUSINESS ACTIVITIES

- 1.1) RTS Fashion Limited ("the COMPANY") is registered in Jebel Ali Free Zone, Dubai -United Arab Emirates was incorporated on September 5, 2019 and operates as an offshore company with limited liability in United Arab Emirates under an incorporation certificate issued by Jebel Ali Freezone Authority of the Government of Dubai.
- 1.2) These financial statements Incorporate the Operating results of the company with registration number :219423.
- 1.3) The license activities are Companies are Owing real Properties, Investment in limited liability Companies, Partnership, Joint Venture and any other company in United Arab Emirates or anywhere in the world.

2) SHARE CAPITAL

2.1) The shareholding of the Company is as follows:

Name	Type of shareholder	No of Shares In Percentage	Total Share Capital
M/S. Mirza International Limited, India	Corporate	100%	4,000,000
TOTAL		100%	4,000,000

3) PRINCIPAL ACCOUNTING POLICIES

a) ACCOUNTING CONVENTION

These financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations, issued or adopted by the International Accounting Standards Board (IASB) and the requirements implementing regulations issued by the U.A.E Law.

b) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of judgements. Estimates and judgements are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances.

The area where various assumptions were exercised in applications of accounting policies that are significant to the financial statements are as:

- i) Useful life of property, plant & equipment.
- ii) Allowance for doubtful debts, specific provision for individual accounts are recorded based on customer's inability to meet its financial obligations.



c) DEPRÉCIATION OF PROPERTY, PLANT & EQUIPMENT

Property Plant and Equipment are stated at cost less accumulated depreciation and impairment losses. The cost of property, Plant and equipment is depreciated using the reducing balance method over their useful lives.

d) IMPAIRMENT OF ASSETS.

As on each date of statement of financial position, management conducts an assessment of property, plant and equipment and all financial assets to determine whether there are any indications that they may be impaired in the absence of such indications, no further action is taken, if such indications do exist, an analysis of each assets is undertaken to determine its net recoverable amount and, if this is below its carrying amount, the assets are written down to their recoverable amount. Assessments of net recoverable amounts of property, plant and equipment and all financial assets other than receivables (see above) are based on assumptions regarding future cash flows expected to be received from the related assets.

e) INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost of inventories comprise all costs of purchase, and where applicable costs of conversion and other costs that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and estimated costs necessary to make the sale.

f) TRADE RECEIVABLES

Trade receivable are carried at anticipated realisable value. Provision is made for specific debts considered doubtful of recovery by management and also for potential doubtful debts inherent in debtors portfolio, based on the age profile of receivables. Bad debts are written off during the year in which they are identified.



RTS Fashion Limited

NOTES TO FINANCIAL STATEMENTS

For the period from 31st March 2022 to 31st March 2023

IN UNITED ARAB EMIRATES DIRHAMS

g) STAFF END OF SERVICES GRATUITY

Amount required to cover end of service indemnity at the balance sheet date are computed pursuant to the United Arab Emirates Federal Labour Law based on the employees' accumulated period of service and current basic remuneration at the balance sheet date. Employee's end of service benefit are accounted on accrual payment basis.

h) FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded in AED at the approximate rate of exchange ruling at the time of the transactions. All foreign currency gains and losses are booked in the statement of income as and when they arise. Gains & Losses resulting from foreign currency transactions are taken to the statement of comprehensive income.

i) REVENUE

Revenue from sale of goods & services shall be recognised when all the following conditions have been satisfied:

- i. The entity has transferred to the buyer the significant risks and rewards of ownership of the goods & services;
- ii. The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods or services sold;
- iii. The amount of revenue can be measured reliably;
- iv. It is probable that the economic benefit associated with the transactions will flow to the entity; and
- v. The cost incurred or to be incurred in respect of the transactions can be measured reliably.

j) SHORT TERM BORROWINGS

Obligations towards banking institutions are segregated generally into current portion (short term portion) and non-current portion (long term portion). Obligations which falls within a period of one year is treated as current portion (short term portion).

k) TRADE PAYABLES

Trade payables being financial liabilities are recognized at fair value.



RTS Fashion Limited
Jebel Ali Free Zone - Dubai

Notes to Financial statements
As of 31st March 2023

4 Non current Assets

<i>Cost</i>	<u>INVESTMENT IN SUBSIDIARIES</u>		<u>Total</u>
	<u>AED</u> <u>2023</u>	<u>AED</u> <u>2022</u>	<u>AED</u>
Mirza (U.K) Limited, United Kingdom	2,921,987	2,921,987	5,843,974
RTS Fashion FZE, United Arab Emirates	-	-	-
As at 31st March, 2023	<u>2,921,987</u>	<u>2,921,987</u>	<u>5,843,974</u>



RTS Fashion Limited
 NOTES TO FINANCIAL STATEMENTS
 For the period from 31st March 2022 to 31st March 2023
 (IN UNITED ARAB EMIRATES)

	<u>31-03-2023</u>	<u>31-03-2022</u>
5). CASH AND CASH EQUIVALENTS		
Cash in bank(AED)	70,145	49,431
Cash in hand	-	-
Closing balance	<u>70,145</u>	<u>49,431</u>
6). OTHER RECIVABLES & PREPAYMENTS		
Other Recivables	-	307
Closing balance	<u>-</u>	<u>307</u>
7). AMOUNT DUE FROM RELATED PARTIES		
Due From Related Parties	1,960,403	1,986,000
Closing balance	<u>1,960,403</u>	<u>1,986,000</u>
8). RETAINED EARNINGS		
Opening balance	947,682	916,944
Comprehensive profit/loss for the period.	(5,190)	30,738
Closing balance	<u>942,492</u>	<u>947,682</u>
9). SHARE CAPITAL		
Authorized, Issued and Paid up Capital.	4,000,000	4,000,000
Closing balance	<u>4,000,000</u>	<u>4,000,000</u>



RTS Fashion Limited
NOTES TO FINANCIAL STATEMENTS
For the period from 31st March 2022 to 31st March 2023
(IN UNITED ARAB EMIRATES)

	<u>31-03-2023</u>	<u>31-03-2022</u>
10). ACCOUNTS & OTHER PAYABLES		
Accrued Expenses	2,101	2,101
Closing balance	<u><u>2,101</u></u>	<u><u>2,101</u></u>
11). DUE TO RELATED PARTIES		
Due to related Parties	7,942	7,942
Closing balance	<u><u>7,942</u></u>	<u><u>7,942</u></u>
12). REVENUE		
Sales	-	-
Closing balance	<u><u>-</u></u>	<u><u>-</u></u>
13). COST OF SOLD		
Purchases	-	-
Closing balance	<u><u>-</u></u>	<u><u>-</u></u>
14). ADMINISTRATIVE EXPENSES		
Legal, Visa and professional Charges	-	-
Miscellaneous	-	-
Closing balance	<u><u>-</u></u>	<u><u>-</u></u>



RTS Fashion Limited
NOTES TO FINANCIAL STATEMENTS
For the period from 31st March 2022 to 31st March 2023
IN UNITED ARAB EMIRATES DIRHAMS

15). INTEREST RATE RISK

Significant financial instruments, other assets and other liabilities of the establishment as at 31st March 2023 are not inherent based.

16). FINANCIAL INSTRUMENTS: RISK MANAGEMENT

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

17). CAPITAL RISK

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the shareholder through optimization of the debt and equity balance.

The capital structure of the company comprises of equity funds as presented in the statement of financial position together with shareholder's current account. Debt comprises of total amounts payable to third parties net of cash and cash equivalents.

The company reviews the capital structure on a semi-annual basis, consider the cost of capital.

18). COMPARATIVE FIGURES

Figures of the company have been rounded off to the nearest AED 1/-.

The attached notes 1 to 12 form part of these financial statements
For Independent Auditor's Report see page 1 & 2.

FOR RTS FASHION LIMITED



Authorized Signatory/POA Holder



