

CA MAYUR CHOKSHI  
FCA, DISA (ICA)

*Mayur Chokshi & Co.*

CHARTERED ACCOUNTANTS  
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To the Board of  
Zodiac Clothing Company Limited  
Mumbai

Re : ZODIAC CLOTHING COMPANY INC.

1. We have audited the accompanying Financial Statements ( Special Purpose Financial Information) of Zodiac Clothing Company Incorporated , ( the Company) a subsidiary of Zodiac Clothing Company Limited, India for the year ended on 31st March, 2023 for the purpose of the of the group financial statements of Zodiac Clothing Company Limited as on that date, expressed in USD as of March 31, 2023 and for the year then ended. This special purpose financial information has been prepared solely to enable Zodiac Clothing Company Limited, an holding Company to prepare consolidated financial statements and not to report on the Company as a separate entity. This special purpose financial information is the responsibility of the Company's Management. Our responsibility is to express an opinion on this special purpose financial information based on our audit.

#### Management's Responsibility for the Special Purpose Financial Information

2. The Company's Management is responsible for the preparation and presentation of this special purpose financial information in accordance with policies contained in group's disclosed accounting policies. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the special purpose financial information that is 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. This special purpose financial information has been prepared solely to enable Zodiac Clothing Company Limited to prepare its consolidated financial statements.

Further, the Management is also responsible to ensure that the accounting policies used in preparation of this Statement are consistent with those used in the preparation of the Company's Financial Statements as at 31st March, 2023 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies and also those adopted by the Holding Company. The Management is also responsible for ensuring that the Company complies with the requirements of the Regulations and for providing all the relevant information to pursuant to the Regulations.



#### Auditors' Responsibility

3. Our responsibility is to express an opinion on this special purpose financial information based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose financial information are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the special purpose financial information. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the special purpose financial information, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the special purpose financial information 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 policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the special purpose financial information.
5. As requested by you, we planned and performed our audit using the materiality level specified in your instructions, which is different than the materiality level that we would have used had we been designing the audit to express an opinion on the special purpose financial statement of the component alone. Accordingly, the scope of our audit was restricted to considering possible misstatements in the context of the overall materiality level of the Net Profit before tax.
6. As directed by you through your instructions, we were not required to audit. The scope of our audit was restricted to considering possible misstatements in the context of the overall materiality level of the Ultimate Holding Company.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Emphasis of matter – Basis of preparation

8. We draw attention to the fact that the accompanying special purpose financial information is not presented in accordance with and does not include all the information required to be disclosed by accounting principles generally accepted in India. Accordingly, the accompanying information is not intended to give a true and fair view of the financial position of the Company as of March 31, 2023, or the results of its operations or its cash flows for the year then ended in accordance with accounting principles generally accepted in India. Our opinion is not qualified in respect of this matter.



**Opinion**

9. In our opinion, the accompanying financial information for the Company as of March 31, 2023 and for the year then ended has been prepared, in all material respects, to give the information required to be shown in accordance with policies contained in group's disclosed accounting policies and are in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies.

**Restriction of use**

10. This report is intended solely for the use of M S K A & Associates, Chartered Accountants LLP group Auditors in connection with the audit of the consolidated financial statements of Zodiac Clothing Company Limited and should not be used by any other person or for any other purpose. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

For MAYUR CHOKSHI & CO  
Chartered Accountants

Firm Reg. No. 106116W

*Paruch*

(MAYUR CHOKSHI)

Proprietor

Memb No 033936

Mumbai : 29<sup>th</sup> May, 2023

UDIN : 23033936BGZFNLL3909



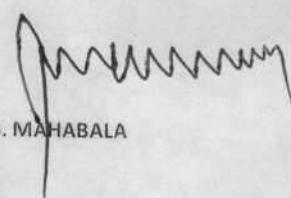
# Zodiac Clothing Company INC

## Balance Sheet

	Particulars	Note No.	As at 31st Mar, 2023 in USD	As at 31st Mar, 2022 in USD
<b>I</b>	<b>ASSETS</b>			
1	Non-current assets			
2	Current assets			
	Inventories	1	51,073	2,05,263
	Financial Assets			
	- Trade Receivables	2	1,41,694	1,64,055
	- Cash and Cash Equivalents	3	1,75,380	45,774
	Other Current Assets	4	1,503	2,285
			<b>TOTAL ASSETS</b>	<b>3,69,650</b>
				<b>4,17,377</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
1	Equity			
	Equity Share Capital	5	NIL	
	Other Equity	6	20,293	(6,057)
2	Liabilities			
	Current Liabilities			
	Financial Liabilities			
	- Trade Payables	7	34,936	1,32,445
	- Other Financial Liabilities	8	3,14,422	2,90,989
			<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,69,650</b>
				<b>4,17,377</b>

The accompanying notes are an integral part of these standalone financial statements.

For and on behalf of Board of Directors

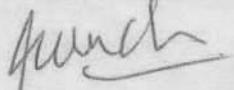


B. MAHABALA

Mumbai : 29th May, 2023

As per our Report of even date.

MAYUR CHOKSHI & CO.  
Chartered Accountants  
Firm Reg. No. 106116W

MAYUR CHOKSHI  
Proprietor  
Memb No : 033936  
Mumbai : 29th May, 2023

# Zodiac Clothing Company INC

Statement of Profit and Loss for the year ended 31st March, 2023

		Note No.	For the year ended 31st Mar, 2023 in USD	For the period ending 31st Mar, 2022 in USD
I	CONTINUING OPERATIONS			
I	INCOME			
	Revenue from operations	9	18,01,618	2,93,939
	<b>Total Income:</b>		<b>18,01,618</b>	<b>2,93,939</b>
II	EXPENSES			
	Cost of goods sold	10	17,30,542	2,75,154
	Other Expenses	11	44,726	24,842
	<b>Total Expenses:</b>		<b>17,75,268</b>	<b>2,99,996</b>
III	Profit / (loss) before exceptional Items and tax		26,350	(6,057)
IV	Exceptional Item			
V	Profit / (Loss) Before Tax		26,350	(6,057)
VI	Tax Expense			
VII	Profit/(Loss) for the Year from Continuing Operations		26,350	(6,057)
VIII	Other Comprehensive Income			
IX	Total Comprehensive Income for the Year		26,350	(6,057)

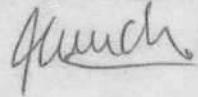
The accompanying notes are an integral part of these standalone financial statements

For and on behalf of Board of Directors

B. MAHABALA

Mumbai : 29th Mayr,2023

As per our Report of even date.  
MAYUR CHOKSHI & CO.  
Chartered Accountants  
Firm Reg. No. 106116W

  
MAYUR CHOKSHI  
Proprietor  
Memb No : 033936  
Mumbai : 29th May, 2023



**Zodiac Clothing Company INC**

Notes to the standalone financial statements

		As at 31st Mar, 2023 in USD	As at 31st Mar, 2022 in USD
<b>1 Inventories</b> ( At lower of Cost or Net Realisable Value)			
Stock - In - Trade	Total	51,073	2,05,263
		51,073	2,05,263
<b>2 Trade Receivables</b> Trade Receivables - Undisputed , Considered Good-Unsecured (Outstanding for less than Six Months)	Total	1,41,694	1,64,055
		1,41,694	1,64,055
<b>3 Cash and Cash Equivalents</b> Balances with Banks - In Current Accounts	Total	1,75,380	45,774
		1,75,380	45,774
<b>4 Other Current Assets</b> Prepaid Expenses	Total	1,503	2,285
		1,503	2,285
<b>5 Equity Share Capital</b> <u>Authorised Share Capital</u> 10,000 Equity Shares of USD 1 each Issued, Subscribed, and Fully paid up	Total	10,000	10,000
		NIL	NIL
		NIL	NIL



**Zodiac Clothing Company INC**  
 Notes to the standalone financial statements

		As at 31st Mar, 2023 in USD	As at 31st Mar, 2022 in USD
<b>6 Other Equity</b>			
RETAINED EARNINGS			
Opening Balance		(6,057)	
Profit for the year		26,350	(6,057)
Closing Balance		20,293	(6,057)
	<b>TOTAL OTHER EQUITY</b>	<b>20,293</b>	<b>(6,057)</b>
<b>7 Trade Payables</b>			
Trade payables		5,000	5,000
Trade Payable to Related Party - ZCCL		29,936	1,27,445
( Outstanding for less than One Year )			
	<b>Total</b>	<b>34,936</b>	<b>1,32,445</b>
<b>8 Other Current Financial Liabilities</b>			
Other Current Liabilities - Payble to ZCC (UAE) LLC		3,14,422	2,18,453
Contract Liabilities - Advance from Customers			72,536
	<b>Total</b>	<b>3,14,422</b>	<b>2,90,989</b>



**Zodiac Clothing Company INC**  
Notes to the standalone financial statements

		For the year ended 31st Mar, 2023 in USD	For the period ending 31st Mar, 2022 in USD
<b>9 Revenue from Operations</b>			
Revenue from contracts with Customers		18,01,618	2,93,939
	Total	18,01,618	2,93,939
<b>10 Cost of Goods Sold</b>			
Opening Stock in Trade		2,05,263	-
Purchases		15,76,353	4,80,417
Less : Closing Stock in Trade		(51,073)	(2,05,263)
	Total	17,30,542	2,75,154
<b>11 Other Expenses</b>			
Insurance		3,618	1,012
Freight Charges		36,097	17,231
Legal and Professional Expenses		3,000	6,100
License and Registration		200	225
Bank Charges		1,811	274
	Total	44,726	24,842



**ZODIAC CLOTHING COMPANY (U.A.E.) LLC**

**Reports and financial statements**  
**For the year ended 31 March 2023**

*Registered office:*

P.O. Box 50545  
Dubai, U.A.E.

# **ZODIAC CLOTHING COMPANY (U.A.E.) LLC**

## **Reports and Financial Statements**

*For the year ended 31 March 2023*

<b><i>CONTENTS</i></b>	<b><i>PAGE</i></b>
Director's Report	1
Independent Auditor's Report	2 - 3
Statement of Financial Position	4
Statement of Comprehensive Income	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 24

## ZODIAC CLOTHING COMPANY (U.A.E.) LLC

### Director's Report

Your directors hereby submit their report and accounts for the year ended 31 March 2023.

#### Results and dividend

The loss for the year amounted to AED 78,470/. To conserve the financial resources of the company, the directors did not recommend any dividend.

#### Review of the business

The company is registered for manufacturing of ready-made garments and trading in ready-made garments. During the year, the company was solely engaged in trading of ready-made garments.

The company has also invested in its 100% subsidiary, namely, Zodiac Clothing Bangladesh Limited, Bangladesh incorporated on 22nd November 2018 and Zodiac Clothing Company Inc, USA incorporated on 11th May 2021.

#### Events since the end of the year

There were no important events, which have occurred since the year-end that materially affect the Company.

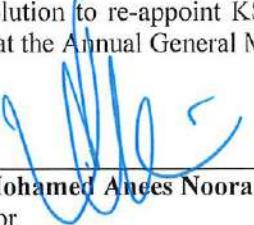
#### Shareholders and their interests

The shareholders at 31 March 2023 and their interests as of that date in the share capital of the company were as follows:

<i>Name of the shareholders</i>	<i>Nationality/ Country of incorporation</i>	<i>No. of shares</i>	<i>AED</i>
Mrs. Muna Mahmood Mohd. Mahmood	U.A.E.	153	153,000
M/s. Zodiac Clothing Company S.A.	Switzerland	<u>147</u>	<u>147,000</u>
		<u>300</u>	<u>300,000</u>

#### Auditors

A resolution to re-appoint KSI Shah & Associates as auditors and fix their remuneration will be put to board at the Annual General Meeting.

  
**Mr. Mohamed Anees Noorani**  
 Director

## Independent Auditors' Report to the Shareholders/Directors' of ZODIAC CLOTHING COMPANY (U.A.E.) LLC

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of ZODIAC CLOTHING COMPANY (U.A.E.) LLC (the "Company"), which comprises of the statement of financial position as at 31 March 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and explanatory notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as of 31 March 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### 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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

#### Other Information

Management is responsible for the other information. Other information comprises the director's report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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 concluded that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

**Independent Auditors' Report to the Shareholders/Directors' of  
ZODIAC CLOTHING COMPANY (U.A.E.) LLC****Report on the Audit of the Financial Statements (contd.)****Auditors' 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 Company'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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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**

Further as required by the UAE Federal Law No (2) of 2015, we report that:

- i) we have obtained all the information necessary for the purpose of our audit;
- ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No (2) of 2015, and the articles of association of the company;
- iii) the company has maintained proper books of account;
- iv) the financial information in the Director's Report is consistent with the books of account of the company;
- v) the company has not made any investments in shares and stocks during the year ended 31 March 2023;
- vi) note 18 reflects material related party transactions and terms under which they were conducted;
- vii) based on the information made available to us, nothing has come to our attention which causes us to believe that the company has contravened during the financial year ended 31 March 2023 any of the applicable provisions of the UAE Federal Law No (2) of 2015 or of its activities which would materially affect its activities or its financial position as at 31 March 2023.

*KSI Shah & Associates*  
For KSI Shah & Associates  
Dubai, U.A.E.  
Signed by:  
Sonal P. Shah (Registration No. 123)



## ZODIAC CLOTHING COMPANY (U.A.E.) LLC

## Statement of Financial Position

As at 31 March 2023

	Notes	2023 <u>AED</u>	2022 <u>AED</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	621,852	755,422
Investment in subsidiaries	7	2,372,898	1,014,074
Investments (at FVOCI)	8	261,225	351,862
Due from related parties	18	6,445,550	6,462,699
<b>Total non-current assets</b>		<b>9,701,525</b>	<b>8,584,057</b>
<b>Current assets</b>			
Inventories	9	-	373,060
Trade and other receivables	10	619,357	768,520
Due from related parties	18	-	177,151
Cash and cash equivalents	11	3,684,754	3,938,076
<b>Total current assets</b>		<b>4,304,111</b>	<b>5,256,807</b>
<b>TOTAL ASSETS</b>		<b>14,005,636</b>	<b>13,840,864</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	12	300,000	300,000
Statutory reserve	13	150,000	150,000
Investment revaluation reserve		(248,885)	(158,248)
Retained earnings		12,505,216	12,583,686
<b>Total equity</b>		<b>12,706,331</b>	<b>12,875,438</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Staff end of service gratuity		51,494	44,494
<b>Total non-current liabilities</b>		<b>51,494</b>	<b>44,494</b>
<b>Current liabilities</b>			
Trade and other payables	14	41,997	43,302
Due to the shareholder	18	910,370	877,630
Due to a related party		295,444	-
<b>Total current liabilities</b>		<b>1,247,811</b>	<b>920,932</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14,005,636</b>	<b>13,840,864</b>

The accompanying notes 1 to 25 form an integral part of these financial statements.

The Independent Auditors' Report is set forth on pages 2 and 3.

Approved by the shareholders on 24th May 2023 and signed on their behalf by;

For ZODIAC CLOTHING COMPANY (U.A.E.) LLC

Mr. Mohamed Arees Noorani  
Director

Mrs. Muna Mahmood Mohd. Mahmood  
Director & Shareholder



## ZODIAC CLOTHING COMPANY (U.A.E.) LLC

Statement of Comprehensive Income  
For the year ended 31 March 2023

	Notes	2023 <u>AED</u>	2022 <u>AED</u>
Sales	15	1,570,851	1,855,671
Cost of sales	16	(1,506,337)	(1,836,521)
<b>Gross profit</b>		<b>64,514</b>	<b>19,150</b>
Other income		500,000	549,588
Realised foreign currency exchange loss		(20,317)	(25,909)
Expenses	17	(598,959)	(578,263)
<b>Operating loss</b>		<b>(54,762)</b>	<b>(35,434)</b>
Finance costs	19	(23,708)	(23,505)
<b>Loss for the year</b>		<b>(78,470)</b>	<b>(58,939)</b>
 <b>Other comprehensive income, net of tax</b>			
Changes in fair values of investments		(90,637)	(158,248)
 <b>Total comprehensive loss for the year</b>		<b>(169,107)</b>	<b>(217,187)</b>

*The accompanying notes 1 to 25 form an integral part of these financial statements.*

## ZODIAC CLOTHING COMPANY (U.A.E.) LLC

Statement of Changes in Equity  
For the year ended 31 March 2023

	Share capital AED	Statutory reserve AED	Investment revaluation reserve AED	Retained earnings AED	Total AED
At 1 April 2021	300,000	150,000	-	12,642,625	13,092,625
(Loss) for the year	-	-	-	(58,939)	(58,939)
Other Comprehensive Income for the year	-	-	(158,248)	-	(158,248)
<b>At 31 March 2022</b>	<b>300,000</b>	<b>150,000</b>	<b>(158,248)</b>	<b>12,583,686</b>	<b>12,875,438</b>
(Loss) for the year	-	-	-	(78,470)	(78,470)
Other Comprehensive Income for the year	-	-	(90,637)	-	(90,637)
<b>At 31 March 2023</b>	<b>300,000</b>	<b>150,000</b>	<b>(248,885)</b>	<b>12,505,216</b>	<b>12,706,331</b>

*The accompanying notes 1 to 25 form an integral part of these financial statements.*

## ZODIAC CLOTHING COMPANY (U.A.E.) LLC

## Statement of Cash Flows

For the year ended 31 March 2023

	Notes	2023 <u>AED</u>	2022 <u>AED</u>
<b>Cash flows from operating activities</b>			
Loss for the year		(78,470)	(58,939)
Adjustments for:			
Depreciation of property, plant and equipment	6	134,265	135,292
Gain on disposal of property, plant and equipment		-	(7,249)
Finance costs	19	23,708	23,505
Provision for staff end of service gratuity		7,000	13,507
<b>Operating cash flows before changes in operating assets and liabilities</b>		86,503	106,116
Decrease/(increase) in inventories	9	373,060	(373,060)
Decrease in trade and other receivables	10	149,163	288,369
Decrease in trade and other payables	14	(1,305)	(21,449)
Changes in due from/due to related parties (net)		522,484	(274,231)
<b>Cash generated from/(used in) operating activities</b>		1,129,905	(274,255)
Interest paid		(23,708)	(23,505)
<b>Net cash generated from/(used in) operating activities</b>		1,106,197	(297,760)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6	(695)	(4,648)
Proceeds from sale of property, plant and equipment	6	-	7,600
Changes in margin deposit accounts		-	9,000
Payments made for purchase of investments		-	(510,110)
Payments made for investment in a subsidiary		(1,358,824)	(91,813)
<b>Net cash used in investing activities</b>		(1,359,519)	(589,971)
<b>Net decrease in cash and cash equivalents</b>		(253,322)	(887,731)
Cash and cash equivalents at the beginning of the year		3,938,076	4,825,807
<b>Cash and cash equivalents at the end of the year</b>	11	3,684,754	3,938,076

*The accompanying notes 1 to 25 form an integral part of these financial statements.*

# ZODIAC CLOTHING COMPANY (U.A.E.) LLC

## Notes to the Financial Statements

*For the year ended 31 March 2023*

### 1 General information

a) **ZODIAC CLOTHING COMPANY (U.A.E.) LLC** ("The Company") is a limited liability company registered on 20 November 1996 under industrial license no. 301266 in the Emirate of Dubai in accordance with the provisions of the U.A.E. Commercial Companies Law No. 2 of 2015.

b) The company is registered for manufacturing of ready-made garments and trading in ready-made garments. During the year, the company was solely engaged in trading of ready-made garments.

The company also has invested in its 100% subsidiary, namely, Zodiac Clothing Bangladesh Limited, Bangladesh incorporated on 22nd November 2018 and Zodiac Clothing Company Inc, USA incorporated on 11th May 2021.

c) The shareholders of the company are Mrs. Muna Mahmood Mohd. Mahmood (U.A.E. National) (51%) and M/s. Zodiac Clothing Company S.A. (Switzerland) (49%).

### 2 Basis of preparation

#### 2.1 Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning on or after 1 January 2022 and the applicable requirements of the Company Commercial Law number 2 of 2015.

2.2 These financial statements do not include the financial statements of its subsidiary companies. The consolidated financial statements for the group are prepared by the ultimate holding company Zodiac Clothing Company Limited, India.

#### 2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial assets and financial liabilities which are being measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety as described below:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### 2.4 Functional and presentation currency

These financial statements are presented in U.A.E. Dirhams, which is the company's functional and presentation currency.

## ZODIAC CLOTHING COMPANY (U.A.E.) LLC

### Notes to the Financial Statements

*For the year ended 31 March 2023*

### 3 Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. 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 estimates are revised and in any future periods affected.

#### 3.1 Critical judgements in applying accounting policies

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

##### *Impairment*

At each reporting date, management conducts an assessment of all property, plant and equipment 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 asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

##### *Revenue from contracts with customers*

- Timing for transfer of control of goods

In case of performance obligation satisfied at point in time, the control of goods is transferred, when physical delivery of the goods to the agreed location has occurred, as a result, the company has a present right to payment and retains none of the significant risks and rewards of the goods.

- Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year from the due date. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

##### *Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Equity securities which are not held for trading, and which the group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the group considers this classification to be more relevant.
- Debt securities where the contractual cash flows are solely principal and interest and the objective of the group's business model is achieved both by collecting contractual cash flows and selling financial assets.

The company has elected to classify its investments in bonds as financial assets at fair value through other comprehensive income (FVOCI).

## ZODIAC CLOTHING COMPANY (U.A.E.) LLC

### Notes to the Financial Statements For the year ended 31 March 2023

#### 3 Use of estimates and judgments

##### 3.2 Key sources of estimation uncertainty

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

###### *Residual values of property, plant and equipment*

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

###### *Estimated useful life of property, plant and equipment*

Management determines the estimated useful lives and depreciation charge for its property, plant and equipment at the time of addition of the assets and is reviewed on annual basis.

###### *Inventory provision*

Management regularly undertakes a review of the company's inventory, in order to assess the likely realization proceeds, taking in account purchase and replacement prices, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

###### *Provision for expected credit losses of trade receivables*

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

###### *Impairment of non-financial assets*

Assessments of net recoverable amounts of property, plant and equipment, due from related parties and investment in a subsidiary are based on assumptions regarding future cash flows expected to be received from the related assets.

###### *Fair value measurements and valuation processes*

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. The directors of the company determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or liability, the company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the company engages third party qualified valuers to perform the valuation. The directors ensure that the appropriate valuation techniques are employed to measure fair value and these are regularly reviewed to understand the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 21.

## ZODIAC CLOTHING COMPANY (U.A.E.) LLC

### Notes to the Financial Statements

For the year ended 31 March 2023

### 3 Use of estimates and judgments

#### 3.2 Key sources of estimation uncertainty (continued)

##### *Staff end-of-service gratuity*

The company computes the provision for the liability to staff end-of-service gratuity assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

##### *Revenue from contracts with customers*

- Determining the transaction price:

The Company's revenue is from sale of goods is derived from fixed price contracts with customers and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. Based on the historical performance of the company, it is highly probable that there will not be reversal of previously recognized revenue on account of the return of goods or volume rebates.

- Allocating the transaction prices:

There is a fixed unit price for each item sold to the customer. Therefore, there is no judgment involved in allocating the contract price to each unit ordered in contracts with customers. Where a customer orders more than one item, the Company is able to determine the split of the total contract price between each item by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

- Provision of rights to return goods, volume rebates and other similar obligations:

The Company reviews its estimate of expected returns at each reporting date on basis of the historical data for the returns, rebates and other similar obligations and updates the amounts of the asset and liability accordingly.

### 4 Application of new and revised International Financial Reporting Standards (IFRSs)

#### 4.1 New and revised International Financial Reporting Standards

The following International Financial Reporting Standards (IFRSs), amendments and interpretations issued by IASB that became effective for the current reporting period:

- Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use.
- Amendments to IAS 37 - Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to IFRS 3 - References to the Conceptual
- Annual Improvements to IFRS Standards 2018 – 2020 – Amendments to IFRS 1, IFRS 9, IFRS 16 Leases and IAS 41.

During the current year, the management has adopted the above amendments to the extent applicable to them from their effective dates.

These amendments have no significant impact on the amounts reported in these financial statements. Their adoption has resulted in presentation and disclosure changes only.

## ZODIAC CLOTHING COMPANY (U.A.E.) LLC

### Notes to the Financial Statements

*For the year ended 31 March 2023*

#### 4 Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

##### 4.2 International Financial Reporting Standards issued but not effective

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

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current - The effective date of the amendments is set for annual periods beginning on or after 1 January 2023.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of accounting policies - The effective date of the amendments is set for annual periods beginning on or after 1 January 2023.

Amendments to IAS 8 - Definition of accounting estimates – The effective date of the amendments is set for annual periods beginning on or after 1 January 2023.

Amendments to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction – The effective date of the amendments is set for annual periods beginning on or after 1 January 2023.

IFRS17 - Insurance Contracts and amendments to IFRS 17- The effective date of the standard is set for annual periods beginning on or after 1 January 2023.

Amendments to IAS 1 - Non-current liabilities with Covenants - The effective date of the amendments is set for annual periods beginning on or after 1 January 2024.

Amendments to IFRS 16 - Liability in a sale and leaseback - The effective date of the amendments is set for annual periods beginning on or after 1 January 2024.

Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture – The effective date of the amendments is not yet stated.

#### 5 Significant accounting policies

##### 5.1 Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated by equal annual installments over their estimated useful lives as under:

Factory building	10 years
Plant and machinery	8 years
Furniture and office equipment	10 years
Vehicles	5 years

Depreciation on additions is calculated on a pro-rata basis from the month of additions and on deletion up to the month of deletion of the asset.

##### 5.2 Investment in subsidiaries

Subsidiary is an entity (investee) which is controlled by another entity (the Parent or the Investor). The control is based on whether,

- The Investor has power over the investee
- It is exposed to rights of variable returns and
- It has the ability to use its power to affect the amount of the returns.

Investment in subsidiaries is stated at cost less provision for impairment if any.

## ZODIAC CLOTHING COMPANY (U.A.E.) LLC

### Notes to the Financial Statements For the year ended 31 March 2023

#### 5 Significant accounting policies (continued)

##### 5.3 Financial instruments

###### **Recognition and Initial measurement**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable in relation to financial assets and financial liabilities, other than those carried at fair value through profit or loss (FVTPL), are added to the fair value on initial recognition.

###### **Classification and subsequent measurement of financial assets**

For the purpose of subsequent measurement, financial assets are classified as follows:

###### **Financial assets at amortised cost (debt instruments)**

Financial assets that are held within a business model whose objective is to hold the asset in order to collect contractual cash flows that are solely payments of principal and interest are subsequently measured at amortised cost less impairments, if any. Interest income calculated using effective interest rate (EIR) method and impairment loss, if any are recognised in the statement of profit and loss. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivables, due from the related parties, other current assets and cash and cash equivalents. Due to the short term nature of these financial assets; their carrying amounts are considered to be the same as their fair values.

###### **Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments)**

Financial assets that are held within a business model whose objective is achieved by both holding the asset in order to collect contractual cash flows that are solely payments of principal and interest and by selling the financial assets, are subsequently measured at fair value through other comprehensive income. Changes in fair value are recognized in the other comprehensive income (OCI) and on derecognition, cumulative gain or loss previously recognised in OCI is reclassified to the statement of profit and loss. Interest income calculated using EIR method and impairment loss, if any are recognised in the statement of profit and loss.

The Company's equity and debt instruments at fair value through other comprehensive income include investments in bonds are included under other non-current financial assets.

###### **Classification and subsequent measurement of financial liabilities**

For the purpose of subsequent measurement, financial liabilities are classified as follows:

- Amortised cost - Financial liabilities are classified as financial liabilities at amortised cost by default. Interest expense calculated using EIR method is recognised in the statement of profit and loss.
- Fair values through profit or loss (FVTPL) - Financial liabilities are classified as FVTPL if it is held for trading, or is designated as such on initial recognition. Changes in fair value and interest expense on these liabilities are recognised in the statement of profit and loss.

The company's financial liabilities include trade and other payables and due to the related parties. The carrying amounts of financial liabilities are considered as to be the same as their fair values, due to their short term nature.

###### **Derecognition of financial assets and financial liabilities**

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or

## ZODIAC CLOTHING COMPANY (U.A.E.) LLC

### Notes to the Financial Statements For the year ended 31 March 2023

#### 5 Significant accounting policies (continued)

##### 5.3 Financial instruments (continued)

- The Company 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 Company has transferred substantially all the risks and rewards of the asset, or
  - b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

##### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

##### Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages.

- For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months.
- For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

For trade receivables, the Company applies a simplified approach in calculating expected credit losses. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

#### 5.4 Inventories

Ready-made garments were valued at the lower of cost and net realisable value.

Cost comprise of invoice value plus attributable direct expenses. Net realisable value is based on estimated selling price less any estimated cost to completion and disposals.

Goods in transit was valued at cost.

## ZODIAC CLOTHING COMPANY (U.A.E.) LLC

### Notes to the Financial Statements

*For the year ended 31 March 2023*

## 5 Significant accounting policies (continued)

### 5.5 Impairment of non-financial assets

The company assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount.

Where the carrying amount of an asset or cash generating units exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognized in the Statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. Such reversal is recognized in the Statement of comprehensive income.

### 5.6 Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

### 5.7 Staff end of service benefits

Provision is made for end-of-service gratuity payable to the staff, subject to the completion of a minimum service period, at the reporting date in accordance with the local labour laws.

### 5.8 Value Added Tax

The revenue, expenses and assets are recognized net of value-added tax (VAT). In case Input VAT paid to the supplier of asset or expense is not recoverable from the Federal Tax Authority, it is disclosed as part of asset acquired or expense incurred.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from or VAT payable to, Federal Tax Authority is disclosed as other payable or other receivable under current liabilities or current assets in the statement of financial position.

### 5.9 Short-term lease

The Company applies the short-term lease recognition exemption to its short-term leases of factory premise and staff accommodation (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). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

## ZODIAC CLOTHING COMPANY (U.A.E.) LLC

### Notes to the Financial Statements

*For the year ended 31 March 2023*

## 5 Significant accounting policies (continued)

### 5.10 Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

### 5.11 Revenue recognition

#### Sales of goods:

The company is in the business of trading of readymade garments.

Revenue from sale of goods is recognized at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customers and have been accepted by the customers at their premises and there is no unfulfilled obligation that could affect customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer and the company has objective evidence that all criteria for acceptance have been satisfied.

The amount of revenue is shown as net of discounts, returns, other similar obligations and VAT as per the performance obligations determined as per the provisions of the contracts with customers.

### 5.12 Borrowing costs

Finance expense comprises interest expense on shareholder's loan is recognised in statement of Comprehensive Income.

### 5.13 Foreign currency transactions

Transactions in foreign currencies are converted into U.A.E. Dirhams at the approximate rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the reporting date. Resulting gain or loss is taken to the statement of comprehensive income.

### 5.14 Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise of cash and cheques on hand, bank balance in current accounts, deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment.

### 5.15 Dividend

Dividend is paid out of accumulated profits, when declared.

## ZODIAC CLOTHING COMPANY (U.A.E.) LLC

Notes to the Financial Statements  
For the year ended 31 March 2023

## 6 Property, plant and equipment

	Factory building <u>AED</u>	Plant and machinery <u>AED</u>	Furniture and office equipment <u>AED</u>	Total <u>AED</u>	
				Vehicles	Vehicles
<i>Cost</i>					
At 1 April 2021	4,961,924	146,486	325,301	182,500	5,616,211
Additions	-	-	4,647	-	4,647
Disposals	-	-	(39,074)	-	(39,074)
<b>At 31 March 2022</b>	<b>4,961,924</b>	<b>146,486</b>	<b>290,874</b>	<b>182,500</b>	<b>5,581,784</b>
Additions	-	-	695	-	695
<b>At 31 March 2023</b>	<b>4,961,924</b>	<b>146,486</b>	<b>291,569</b>	<b>182,500</b>	<b>5,582,479</b>
<i>Accumulated depreciation</i>					
At 1 April 2021	4,119,245	146,486	281,563	182,500	4,729,794
Depreciation expense	120,801	-	14,491	-	135,292
Disposals	-	-	(38,724)	-	(38,724)
<b>At 31 March 2022</b>	<b>4,240,046</b>	<b>146,486</b>	<b>257,330</b>	<b>182,500</b>	<b>4,826,362</b>
Depreciation expense	120,800	-	13,465	-	134,265
<b>At 31 March 2023</b>	<b>4,360,846</b>	<b>146,486</b>	<b>270,795</b>	<b>182,500</b>	<b>4,960,627</b>
<i>Carrying amount</i>					
<b>At 31 March 2022</b>	<b>721,878</b>	<b>-</b>	<b>33,544</b>	<b>-</b>	<b>755,422</b>
<b>At 31 March 2023</b>	<b>601,078</b>	<b>-</b>	<b>20,774</b>	<b>-</b>	<b>621,852</b>

Factory building is constructed on leasehold land in name of U.A.E. national shareholder.

In the opinion of management, there was no impairment in respect of any of the property, plant and equipment items. Hence, the fair values of the property, plant and equipment at reporting date are the same as their net book values.

## ZODIAC CLOTHING COMPANY (U.A.E.) LLC

### Notes to the Financial Statements

For the year ended 31 March 2023

#### 7 Investment in subsidiaries

	<i>2023</i> <i>AED</i>	<i>2022</i> <i>AED</i>
Zodiac Clothing Bangladesh Limited, Bangladesh (100 % shareholding) a b	2,372,898	1,014,074
553,074 shares (previous year: 231,174 shares) of BDT 100/- each (converted @ 23.31) (previous year converted @22.79)	-	-
Zodiac Clothing Company INC, USA c	2,372,898	1,014,074
	<hr/>	<hr/>

*a Out of the total shares, Mrs. Muna Mahmood Mohd. Mahmood holds 1 share in Zodiac Clothing Bangladesh Limited, Bangladesh in trust for and on behalf of the company.*

*b In the opinion of the management, no impairment is required in value of investments since investee company is in preliminary stage of its commercial operations and expected to commence the production by end of August 2023.*

*c Represents 100% subsidiary incorporated on 11th May 2022 in the State of Delaware with authorized share capital of 10,000 shares with a par value of US\$ 1 per share. The company has not paid any amount towards share capital for this investment. For capital commitment, refer note 23.*

#### 8 Investments (at FVOCI)

	<i>2023</i> <i>AED</i>	<i>2022</i> <i>AED</i>
<b>Cost</b>		
Opening balance	510,110	-
Additions during the year	-	510,110
	510,110	510,110
<b>Changes in fair values</b>		
Opening balance	(158,248)	-
Changes during the year	(90,637)	(158,248)
	(248,885)	(158,248)
	261,225	351,862
	<hr/>	<hr/>

*Investment is made in the bonds with a bank - Julius Bar.*

#### 9 Inventories

	<i>2023</i> <i>AED</i>	<i>2022</i> <i>AED</i>
Goods in transit	-	373,060

**ZODIAC CLOTHING COMPANY (U.A.E.) LLC**

**Notes to the Financial Statements**  
*For the year ended 31 March 2023*

**10 Trade and other receivables**

	<i>2023</i> <i>AED</i>	<i>2022</i> <i>AED</i>
Trade receivable	-	353,991
Deposits	218,921	216,477
Prepayments	29,777	27,394
Other receivables	<u>370,659</u>	<u>170,658</u>
	619,357	768,520

**11 Cash and cash equivalents**

	<i>2023</i> <i>AED</i>	<i>2022</i> <i>AED</i>
Cash on hand	216	2,953
Bank balances in current accounts	<u>3,684,538</u>	<u>3,935,123</u>
	3,684,754	3,938,076

**12 Share capital**

	<i>2023</i> <i>AED</i>	<i>2022</i> <i>AED</i>
Authorised, issued and paid up share capital:		
300 shares of AED 1,000/- each	<u>300,000</u>	<u>300,000</u>

**13 Statutory reserve**

Statutory reserve is created by allocating 10% of the net profit of the company as required by Article 103 of the UAE Commercial Companies Law No. 2 of 2015 concerning Commercial Companies in the UAE. The company discontinued such annual transfers as this reserve totals 50% of the paid up share capital. The reserve is not available for distribution except as provided in the Federal Law.

**14 Trade and other payables**

	<i>2023</i> <i>AED</i>	<i>2022</i> <i>AED</i>
Trade payables	8,112	16,648
Accrued expenses	21,479	23,498
Provision for leave salaries and air passage	<u>12,406</u>	<u>3,156</u>
	41,997	43,302

## ZODIAC CLOTHING COMPANY (U.A.E.) LLC

### Notes to the Financial Statements

*For the year ended 31 March 2023*

#### 15 Sales

	<i>2023</i> <i>AED</i>	<i>2022</i> <i>AED</i>
Trading of shirts	1,570,851	1,855,671
	<u>1,570,851</u>	<u>1,855,671</u>

#### 16 Cost of sales

	<i>2023</i> <i>AED</i>	<i>2022</i> <i>AED</i>
Opening inventories	373,060	-
Purchase of trading shirts, fabrics and accessories (refer note 18)	1,110,527	2,179,007
Other direct expenses	22,750	30,574
Closing inventories	-	(373,060)
	<u>1,506,337</u>	<u>1,836,521</u>

#### 17 Expenses

	<i>2023</i> <i>AED</i>	<i>2022</i> <i>AED</i>
Salaries and other benefits	143,314	131,674
Selling and distribution expenses (refer note 18)	81,532	103,118
Other administrative expenses (refer note 18)	239,848	208,179
Depreciation	134,265	135,292
	<u>598,959</u>	<u>578,263</u>

#### 18 Related party transactions

For the purpose of these financial statements, parties are considered to be related to the company, if the company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the company and the party are subject to common control and includes where the company has significant influence but not control, and generally does not have any controlling shareholding on the entity whose accounts are presented. Related party may be individuals or other entities.

The relationship of related parties is as under –

##### a) Major shareholders

1. Zodiac Clothing Company Limited, India
2. Zodiac Clothing Company SA, Switzerland
3. Mrs. Muna Mahmood Mohd. Mahmood, Shareholder

## ZODIAC CLOTHING COMPANY (U.A.E.) LLC

### Notes to the Financial Statements

*For the year ended 31 March 2023*

### 18 Related party transactions (continued)

#### b) Subsidiaries

1. Zodiac Clothing Bangladesh Limited, Bangladesh
2. Zodiac Clothing Company INC, USA

#### c) Companies under common management control

1. Zodiac Metropolitan Clothing Company GMBH, Germany
2. Zodiac Metropolitan Clothing Company GMBH, UK
3. Onward LLC, U.A.E.
4. Zodiac (UAE) Ajman LLC, U.A.E.

#### a) Transactions

During the year, the Company entered into the following transactions with the related parties:

	<i>2023</i> <i>AED</i>	<i>2022</i> <i>AED</i>
Purchase of trading shirts (refer note 16)	1,110,527	2,179,007
Management fees (refer note 17)	77,868	79,544
Other expenses (refer note 17)	848	1,865
Finance cost (refer note 19)	23,708	23,505

#### b) Balances

At the reporting date balances with related parties were as follows:

	<i>2023</i> <i>AED</i>	<i>2022</i> <i>AED</i>
<b>Included under non-current assets:</b>		
Investment in subsidiaries (refer note 7)	2,372,898	1,014,073
Due from the related parties	6,445,550	6,462,699
<b>Included under current assets:</b>		
Due from the related parties	-	177,151
<b>Included under current liabilities:</b>		
Due to the shareholder	910,370	877,630
Due to a related party	295,444	-

### 19 Finance costs

	<i>2023</i> <i>AED</i>	<i>2022</i> <i>AED</i>
To shareholder (refer note 18)	23,708	23,505
	<hr/>	<hr/>
	23,708	23,505

## ZODIAC CLOTHING COMPANY (U.A.E.) LLC

### Notes to the Financial Statements For the year ended 31 March 2023

#### 20 Financial instruments: Credit, Market risk and Liquidity risk exposures

The Company has exposure to the following risks from its use financial instruments:

- a) Credit risk
- b) Market risk
- c) Liquidity risk

##### *a) Credit risk*

Financial assets, which potentially expose the company to concentrations of credit risk, comprise principally of bank balances and due from the related parties.

##### *Trade and other receivables*

There is no significant concentration of credit risk from trade receivables situated within and outside U.A.E. and outside the industry in which the company operates.

##### *Bank balances*

The company's bank balances in current accounts are placed with high credit quality financial institutions.

##### *b) Market risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as exchange rate risk, interest rate risk or other price risk, which will affect the company's income or the value of its holding of financial instruments.

##### *Interest rate risk*

Payable to shareholder is at fixed rate of interest.

##### *Exchange rate risk*

Except for the following amounts there are no significant exchange rate risks as substantially all financial assets and financial liabilities are determined in U.A.E. Dirhams or US Dollars to which the Dirham is fixed.

##### *Foreign currency risk*

The carrying amounts of the ZODIAC CLOTHING COMPANY (U.A.E.) LLC's foreign currency denominated monetary assets at the end of the reporting date are as follows:

	2023 <u>AED</u>	2022 <u>AED</u>
<b>Assets</b>		
Great Britain Pounds (GBP)	-	101,283

The carrying amounts of the ZODIAC CLOTHING COMPANY (U.A.E.) LLC's foreign currency denominated monetary liabilities at the end of the reporting date are as follows:

	2023 <u>AED</u>	2022 <u>AED</u>
<b>Liabilities</b>		
Swiss Francs (CHF)	910,370	877,630

## ZODIAC CLOTHING COMPANY (U.A.E.) LLC

### Notes to the Financial Statements

For the year ended 31 March 2023

## 20 Financial instruments: Credit, Market risk and Liquidity risk exposures (continued)

### *Foreign currency sensitivity analysis*

The following table illustrates the sensitivity of profit for a reasonable change in foreign exchange rates, with all other variables held constant at 31 March 2023 and 2022.

Particulars	2023			2022		
	Balance AED	Change in currency rate in %	Effect on income statement AED	Balance AED	Change in currency rate in %	Effect on income statement AED
<b>Foreign currency assets</b>						
GBP currency	-	-	-	101,283	+/- 5%	+/- 5,064
<b>Foreign currency liabilities</b>						
CHF currency	910,370	+/- 1%	+/- 9,104	877,630	+/- 4%	+/- 35,105

A change in currency rates are considered for the exchange rate have been determined based on the average market volatility in exchange rates in the year 2022-23 and 2021-22 over period of 12 months.

### *c) Liquidity risk*

Liquidity risk is the risk that the company will not be able to meet financial obligations as they fall due. The liquidity requirements are monitored on a regular basis by the directors and the management who ensure that sufficient funds are made available to the company to meet any future commitments.

## 21 Financial instruments: Fair value

The fair values of the company's financial assets, comprising of trade and other receivables, due from the related parties, and bank balances and financial liabilities, comprising of trade and other payables and due to the related parties approximate their carrying values.

The following table analyses the company's financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized.

As on 31 March 2023

	<i>Level 1</i> AED	<i>Level 2</i> AED	<i>Level 3</i> AED	<i>Total</i> AED
Investment in subsidiaries	-	-	2,372,898	2,372,898
Investment (at FVOCI)	-	261,225	-	261,225
<b>Total</b>	-	<b>261,225</b>	<b>2,372,898</b>	<b>2,634,123</b>

**ZODIAC CLOTHING COMPANY (U.A.E.) LLC**

**Notes to the Financial Statements**

*For the year ended 31 March 2023*

**21 Financial instruments: Fair value (continued)**

As on 31 March 2022

	<i>Level 1</i> <i>AED</i>	<i>Level 2</i> <i>AED</i>	<i>Level 3</i> <i>AED</i>	<i>Total</i> <i>AED</i>
Investment in subsidiaries	-	-	1,014,073	1,014,073
Investment (at FVOCI)	-	351,862	-	351,862
<b>Total</b>	<b>-</b>	<b>351,862</b>	<b>1,014,073</b>	<b>1,365,935</b>

**22 Contingent liability**

There was no contingent liability of a significant amount outstanding as at the reporting date.

**23 Capital commitments**

	<i>2023</i> <i>AED</i>	<i>2022</i> <i>AED</i>
In respect of uncalled capital of investment in shares of Zodiac Clothing Company Inc, USA (refer note 7c)	36,700	36,700

**24 Comparative figures**

Previous year's figures have been regrouped / reclassified wherever necessary to conform to the presentation adopted in the current year.

CA MAYUR CHOKSHI  
FCA, DISA (ICA)

*Mayur Chokshi & Co.*

CHARTERED ACCOUNTANTS  
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33, Swastik Society, JVPD Scheme,  
Mumbai - 400056. INDIA  
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Email: [mayur@mcnco.in](mailto:mayur@mcnco.in) Web: [www.mcnco.in](http://www.mcnco.in)

To the Board of  
Zodiac Clothing Company Limited  
Mumbai

Re : **ZODIAC CLOTHING COMPANY SA.**

1. We have audited the accompanying Financial Statements ( Special Purpose Financial Information) of Zodiac Clothing Company, SA, ( the Company) a subsidiary of Zodiac Clothing Company Limited, India for the year ended on 31st March, 2023 for the purpose of the group financial statements of Zodiac Clothing Company Limited as on that date, expressed in Swiss Franc (CHF) as of March 31, 2023 and for the year then ended. This special purpose financial information has been prepared solely to enable Zodiac Clothing Company Limited, an holding Company to prepare consolidated financial statements and not to report on the Company as a separate entity. This special purpose financial information is the responsibility of the Company's Management. Our responsibility is to express an opinion on this special purpose financial information based on our audit.

#### **Management's Responsibility for the Special Purpose Financial Information**

2. The Company's Management is responsible for the preparation and presentation of this special purpose financial information in accordance with policies contained in group's disclosed accounting policies. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the special purpose financial information that is 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. This special purpose financial information has been prepared solely to enable Zodiac Clothing Company Limited to prepare its consolidated financial statements.

Further, the Management is also responsible to ensure that the accounting policies used in preparation of this Statement are consistent with those used in the preparation of the Company's Financial Statements as at 31st March, 2023 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies and also those adopted by the Holding Company. The Management is also responsible for ensuring that the Company complies with the requirements of the Regulations and for providing all the relevant information to pursuant to the Regulations.



### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on this special purpose financial information based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose financial information are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the special purpose financial information. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the special purpose financial information, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the special purpose financial information 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 policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the special purpose financial information.
5. As requested by you, we planned and performed our audit using the materiality level specified in your instructions, which is different than the materiality level that we would have used had we been designing the audit to express an opinion on the special purpose financial statement of the component alone. Accordingly, the scope of our audit was restricted to considering possible misstatements in the context of the overall materiality level of the Net Profit before tax.
6. As directed by you through your instructions, we were not required to audit. The scope of our audit was restricted to considering possible misstatements in the context of the overall materiality level of the Ultimate Holding Company.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Emphasis of matter – Basis of preparation**

8. We draw attention to the fact that the accompanying special purpose financial information is not presented in accordance with and does not include all the information required to be disclosed by accounting principles generally accepted in India. Accordingly, the accompanying information is not intended to give a true and fair view of the financial position of the Company as of March 31, 2023, or the results of its operations or its cash flows for the year then ended in accordance with accounting principles generally accepted in India. Our opinion is not qualified in respect of this matter.



**Opinion**

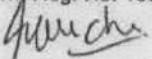
9. In our opinion, the accompanying financial information for the Company as of March 31, 2023 and for the year then ended has been prepared, in all material respects, to give the information required to be shown in accordance with policies contained in group's disclosed accounting policies and are in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies.

**Restriction of use**

10. This report is intended solely for the use of M S K A & Associates, Chartered Accountants LLP group Auditors in connection with the audit of the consolidated financial statements of Zodiac Clothing Company Limited and should not be used by any other person or for any other purpose. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

For **MAYUR CHOKSHI & CO**  
Chartered Accountants

Firm Reg. No. 106116W



(MAYUR CHOKSHI)

Proprietor

Memb No 033936

Mumbai : 29th May, 2023

UDIN : 23033936BGZFNK9230



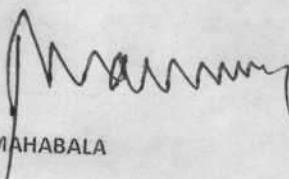
# Zodiac Clothing Company SA

## Balance Sheet

	Particulars	Note No.	As at 31st Mar, 2023 in CHF	As at 31st Mar, 2022 in CHF
I	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
1.1	Investments in Subsidiaries, Associates and Joint Venture	1	98,039	98,039
1.2	Financial Assets			
1.2.1	- Loans	2	2,26,798	2,20,709
2	<b>Current assets</b>			
2.1	Financial Assets			
2.1.1	- Cash and Cash Equivalents	3	8,675	8,356
2.2	Other Current Assets	4	34	34
	<b>TOTAL ASSETS</b>		<b>3,33,546</b>	<b>3,27,138</b>
II	<b>EQUITY AND LIABILITIES</b>			
1	<b>Equity</b>			
1.1	Equity Share Capital	5	2,50,000	2,50,000
1.2	Other Equity	6	65,638	69,280
2	<b>Liabilities</b>			
2.1	<b>Current Liabilities</b>			
2.1.1	Financial Liabilities			
2.1.1.1	- Trade Payables	7	13,050	3,000
2.1.1.2	- Other Financial Liabilities	8	4,858	4,858
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,33,546</b>	<b>3,27,138</b>

The accompanying notes are an integral part of these standalone financial statements

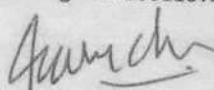
For and on behalf of Board of Directors

  
B. MAHABALA

Mumbai : May 29th, 2023

As per our Report of even date.

MAYUR CHOKSHI & CO.  
Chartered Accountants  
Firm Reg. No. 106116W



MAYUR CHOKSHI  
Proprietor  
Memb No : 033936  
Mumbai : May 29th, 2023



**Zodiac Clothing Company SA**

**Statement of Profit and Loss**

		Note No.	Year ended 31st Mar, 2023 in CHF	Year ended 31st Mar, 2022 in CHF
I	CONTINUING OPERATIONS			
	INCOME			
	Other Income	9	26,169	25,910
			<b>Total Income:</b>	<b>26,169</b>
				<b>25,910</b>
II	EXPENSES			
	Other Expenses	10	29,811	49,130
			<b>Total Expenses:</b>	<b>29,811</b>
				<b>49,130</b>
III	Profit / (loss) before exceptional items and tax		(3,642)	(23,220)
IV	Exceptional Item			
V	Profit / (Loss) Before Tax		(3,642)	(23,220)
VI	Tax Expense			
	Current Tax- Refund receive for earlier years			2,469
VII	Profit/(Loss) for the Year from Continuing Operations		(3,642)	(20,751)
VIII	Other Comprehensive Income			
IX	Total Comprehensive Income for the Year		(3,642)	(20,751)

The accompanying notes are an integral part of these standalone financial statements

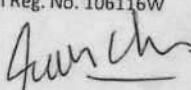
For and on behalf of Board of Directors

B. MAHABALA

Mumbai : May 29th, 2023

As per our Report of even date.

MAYUR CHOKSHI & CO.  
Chartered Accountants  
Firm Reg. No. 106116W

  
MAYUR CHOKSHI  
Proprietor  
Memb No : 033936  
Mumbai : May 29th, 2023



**Zodiac Clothing Company SA**

Notes to the standalone financial statements

	As at 31st March 2023 in CHF	As at 31st March 2022 in CHF
<b>1 Investments in Subsidiaries, Associates and Joint Venture</b>		
<b><u>Investment in Subsidiaries</u></b>		
<b>Unquoted</b>		
<b>Equity Instruments, at cost</b>		
1,713,750 Equity Shares of Rs.5/- each, fully paid up, of Zodiac Clothing UAE LLC	98,039	98,039
<b>Total</b>	<b>98,039</b>	<b>98,039</b>
Aggregate amount of unquoted investments before impairment	98,039	98,039
Aggregate amount of impairment in the value of investment		
<b>2 Non- Current Loans</b>		
<b>(Unsecured, considered good)</b>		
Loans to related parties		
- Zodiac Clothing Co (UAE) LLC	2,26,798	2,20,709
<b>Total</b>	<b>2,26,798</b>	<b>2,20,709</b>
<b>3 Cash and Cash Equivalents</b>		
Balances with Banks - In Current Accounts		
<b>Total</b>	<b>8,675</b>	<b>8,356</b>
<b>4 Other Current Assets</b>		
Prepaid Expenses	34	34
<b>Total</b>	<b>34</b>	<b>34</b>
<b>5 Equity Share Capital</b>		
<b>Authorised</b>		
Issued, Subscribed, and Fully paid up	2,50,000	2,50,000
<b>Total</b>	<b>2,50,000</b>	<b>2,50,000</b>



**Zodiac Clothing Company SA**  
**Notes to the standalone financial statements**

	As at 31st March 2023 in CHF	As at 31st March 2022 in CHF
<b>6 Other Equity</b>		
GENRAL RESERVES	50,000	50,000
RETAINED EARNINGS		
Opening Balance	19,280	8,65,031
Profit for the year	(3,642)	(20,751)
Dividends		(8,25,000)
Closing Balance	15,638	19,280
<b>TOTAL OTHER EQUITY</b>	<b>65,638</b>	<b>69,280</b>
<b>7 Trade Payables</b>		
Trade payables ( Outstanding for less than One Year )	13,050	3,000
Total	13,050	3,000
<b>8 Other Current Financial Liabilities</b>		
Other payables	4,858	4,858
Total	4,858	4,858



**Zodiac Clothing Company SA****Notes to the standalone financial statements**

	Year Ended 31st March, 2023 in CHF	Year Ended 31st March, 2022 in CHF
<b>9 Other Income</b>		
Interest Income	6,089	5,910
Dividend Income		
Management Fees	20,000	20,000
Net Gain on Foreign Currency Transactions	80	
<b>Total</b>	<b>26,169</b>	<b>25,910</b>
<b>10 Other Expenses</b>		
Insurance	510	510
Legal and Professional Expenses	15,198	13,286
Director Fees	13,905	11,490
Exchange Fluctuation - Others		23,518
Bank Charges	198	326
<b>Total</b>	<b>29,811</b>	<b>49,130</b>



INDEPENDENT AUDITORS' REPORT  
AND  
AUDITED FINANCIAL STATEMENTS  
OF  
ZODIAC CLOTHING BANGLADESH LTD.  
FOR THE YEAR ENDED 31 MARCH 2023



**AHMED MASHUQUE & CO., Chartered Accountants**

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Member Firm of **Crowe Global**  
[www.crowe.com](http://www.crowe.com)



**Independent Auditors' Report  
to the shareholders of  
Zodiac Clothing Bangladesh Ltd.**

**Report on the Audit of Financial Statements**

**Opinion**

We have audited the accompanying financial statements of Zodiac Clothing Bangladesh Ltd., which comprise the Statements of financial position as at 31 March 2023 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 notes, comprising 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 Company as at 31 March 2023 and its financial performance and its cash flows for the year then ended 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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the financial statements in Bangladesh, 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 these financial statements in accordance with International Financial Reporting Standards (IFRSs), the Company's Act 1994 and other applicable laws and regulations 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. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditors' Responsibility 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.
- 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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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**

In accordance with the Companies Act, 1994 we also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books; and
- c) the company's statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dated, 30 May 2023  
Dhaka.

**Ahmed Mashuque & Co.**

Chartered Accountants

**Md. Saiful Islam FCA**

Partner

Enrolment No-1225

DVC: 2306081225AS214273

**Zodiac Clothing Bangladesh Ltd.**  
**Statement of financial position**  
**As at 31 March 2023**

	<u>Notes</u>	<u>Amount in Taka</u>	
		<u>31-Mar-23</u>	<u>31-Mar-22</u>
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>12,705,335</b>	<b>2,448,864</b>
Capital work in progress		12,705,335	2,448,864
<b>Current assets</b>			
Advance, deposit and prepayments	4.00	40,938,433	20,785,350
Goods in Transit	5.00	15,837,736	-
Cash and cash equivalents	6.00	5,731,382	689,018
<b>Total assets</b>		<b>75,212,886</b>	<b>23,923,232</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share holders equity</b>		<b>66,304,052</b>	<b>20,426,399</b>
Share capital	7.00	55,307,400	23,117,400
Advance Against Share Capital in kind	8.00	14,832,927	-
Retained earnings		(3,836,275)	(2,691,001)
<b>Current liabilities</b>			
Liability for expenses	9.00	8,908,834	3,496,833
<b>Total shareholders equity and liabilities</b>		<b>75,212,886</b>	<b>23,923,232</b>

*These financial statements should be read in conjunction with the annexed notes.*

*Chairman*

*Director*

*Signed in terms of our report of even date annexed.*

Dated, 30 May 2023  
Dhaka.

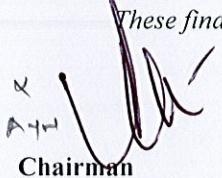
Ahmed Mashuque & Co.  
Chartered Accountants  
Md. Saiful Islam FCA  
Partner  
Enrolment No-1225  
DVC: 2306081225AS214273

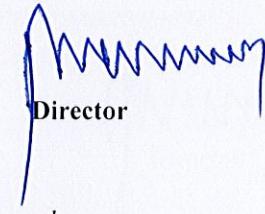


**Zodiac Clothing Bangladesh Ltd.**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 March 2023**

<u>Particulars</u>	<u>Amount in Taka</u>	<u>Amount in Taka</u>
	01-Apr-22 to 31-Mar-23	01-Apr-21 to 31-Mar-22
<b>Revenue</b>	-	-
<b>Less: Expenses</b>	<b>1,145,274</b>	<b>940,755</b>
Office rent	103,500	103,500
Legal and professional fees	487,263	305,165
Directors fees	478,500	478,500
Audit fees	57,500	57,500
Foreign exchange (Gain)/loss	-	(7,945)
Bank charges	18,511	4,035
<b>Profit/(loss) before tax</b>	<b>(1,145,274)</b>	<b>(940,755)</b>
Income tax expenses	-	-
<b>Profit/(loss) after tax</b>	<b>(1,145,274)</b>	<b>(940,755)</b>
Other comprehensive income	-	-
<b>Total comprehensive income/(loss)</b>	<b>(1,145,274)</b>	<b>(940,755)</b>

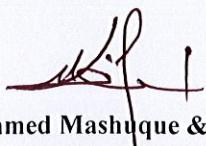
*These financial statements should be read in conjunction with the annexed notes.*

  
 Chairman

  
 Director

*Signed in terms of our report of even date annexed.*

Dated, 30 May 2023  
 Dhaka.

  
 Ahmed Mashuque & Co.  
 Chartered Accountants  
 Md. Saiful Islam FCA  
 Partner  
 Enrolment No-1225  
 DVC: 2306081225AS214273



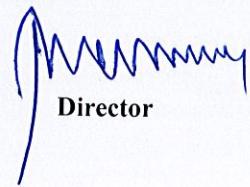
**Zodiac Clothing Bangladesh Ltd.**  
**Statement of changes in equity**  
**For the year ended 31 March 2023**

**Amount in Taka**

Particulars	Share capital	Share money deposit/ Advance Against Share Capital in kind	Retained earnings	Total
<b>As at 01 April 2021</b>	<b>21,018,700</b>	<b>7,895</b>	<b>(1,750,246)</b>	<b>19,276,349</b>
Addition during the year	2,098,700	50	(940,755)	1,157,995
Allotted to the share capital	-	(7,945)	-	(7,945)
<b>As at 31 March 2022</b>	<b>23,117,400</b>	<b>-</b>	<b>(2,691,001)</b>	<b>20,426,399</b>
<b>As at 01 April 2022</b>	<b>23,117,400</b>	<b>-</b>	<b>(2,691,001)</b>	<b>20,426,399</b>
Addition during the year	32,190,000	14,832,927	(1,145,274)	45,877,653
Adjustments during the year	-	-	-	-
<b>As at 31 March 2023</b>	<b>55,307,400</b>	<b>14,832,927</b>	<b>(3,836,275)</b>	<b>66,304,052</b>

*These financial statements should be read in conjunction with the annexed notes.*

  
**Chairman**

  
**Director**

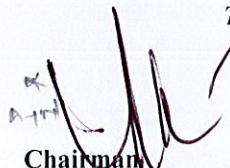
Dated, 30 May 2023  
Dhaka.

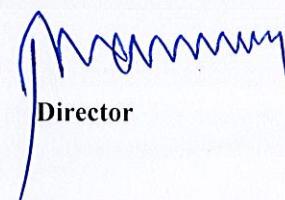


**Zodiac Clothing Bangladesh Ltd.**  
**Statement of cash flows**  
**For the year ended 31 March 2023**

<b>Particulars</b>	<u>Amount in Taka</u>	<u>Amount in Taka</u>
	01-Apr-22 to 31-Mar-23	01-Apr-21 to 31-Mar-22
<b>A Cash flows from operating activities</b>		
Cash receipts from customers	-	-
Cash paid for operating expenses	(31,724,092)	783,712
Cash paid to supplier	-	-
<i>Net cash from operating activities</i>	<b>(31,724,092)</b>	<b>783,712</b>
<b>B Cash flows from investing activities</b>		
Work in progress	(10,256,471)	(2,448,864)
<i>Net cash used in investing activities</i>	<b>(10,256,471)</b>	<b>(2,448,864)</b>
<b>C Cash flows from financing activities</b>		
Share capital	32,190,000	2,098,700
Advance against share capital in kind	14,832,927	(7,895)
<i>Net cash flows from financing activities</i>	<b>47,022,927</b>	<b>2,090,805</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>5,042,364</b>	<b>425,654</b>
Add: Cash and cash equivalents at the beginning of the year	689,018	263,365
<b>Cash and cash equivalents at the end of the year</b>	<b>5,731,382</b>	<b>689,018</b>

*These financial statements should be read in conjunction with the annexed notes.*

  
**Chairman**

  
**Director**

Dated, 30 May 2023  
Dhaka.



**Zodiac Clothing Bangladesh Ltd.**  
**Notes, comprising significant accounting policies and other explanatory information**  
**As at and for the year ended 31 March 2023**

**1.00 Legal status and nature of the business**

**1.01 Legal status of the company**

Zodiac Clothing Bangladesh Ltd. is a private limited company has been incorporated on 22 November 2018 in Bangladesh under the Companies Act, 1994 vide incorporation # C-148496/2018 with 100% foreign investment. The registered address of the company is located at Navana Obaid Eternia, 28-29, Kakrail, Level # 13, VIP Road, Dhaka, PO : 1000.

**1.02 Nature of business**

The main object of the company is to carry on the business of garments factory, import, export and supply of readymade garments and other commodities. The company has not started its operation.

**2.00 Basis of preparation of these financial statements**

The financial statement have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as well as the requirements of the Companies Act, 1994 and other relevant local laws and regulations as applicable.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the business accounting policies and reported amounts of assets, liabilities, income and expenses. The areas, involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed.

**2.01 Components of financial statements**

The Board of Directors is responsible for preparing the financial statements under section 183 of the Companies Act, 1994 and as per IAS-1 " Presentation of financial statements".

The financial statements comprise the following components:

- (i) Statement of financial position as at 31 March 2023;
- (ii) Statement of profit or loss and other comprehensive income for the year ended 31 March 2023;
- (iii) Statement of changes in equity for the year ended 31 March 2023;
- (iv) Statement of cash flows for the year ended 31 March 2023;
- (v) Notes, comprising significant accounting policies and other explanatory information as at and for the year ended 31 March 2023.

**2.02 Basis of measurement**

The financial statements have been prepared using the accrual basis. The company has adequate resources to continue its operation for the foreseeable future. For the reason all business operations have been reported in the financial statements on going concern basis.

**2.03 Reporting currency and others**

The figures in the financial statements represents Bangladeshi Taka, except where indicates otherwise. The amount has been rounded off to the nearest integer.

**2.04 Transactions in foreign currencies**

Transactions in foreign currencies are converted into Bangladeshi Taka at the exchange rate prevailing on the date of transaction as per International Accounting Standard (IAS-21).



## **2.05 Reporting period**

The financial period of the company has been determined to be from 01 April to 31 March of every year. These financial statements cover for the period from 01 April 2022 to 31 March 2023.

## **2.06 Use of estimates and judgments**

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

## **2.07 Materiality and aggregation**

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

## **3.00 Significant accounting policies**

The accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

### **3.01 Capital Work in Progress**

Capital work in progress consists of acquisition costs of plant, machinery, capital components of other equipment, related installation costs including overhead during construction and directly attributable costs incurred until date of placement in service. In case of purchase of components, capital work in progress is recognized when risks and rewards associated with such assets are transferred to the Company. As the capital work in progress assets are not useable condition yet, therefore no depreciation has been charged on those assets as on date.

### **3.02 Cash and cash equivalents**

Cash and cash equivalents comprises of cash in hand and cash with banks.

### **3.03 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

Paid-up capital represents total amount contributed by the shareholders and bonus shares, if any, issued by the Company to the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

### **3.04 Liabilities for expenses**

The company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

### **3.05 Income tax provision**

Provision for income tax has been made in line with the Income Tax Ordinance, 1984.

### **3.06 General**

Figures in the financial statements represent Bangladeshi currency and have been rounded off to the nearest Taka.



	Taka 31-Mar-2023	Taka 31-Mar-2022
<b>4.00 Advance, deposit and prepayments</b>		
Security deposit for factory	2,820,000	2,820,000
Security deposit to Gazipur Palli Bidyut Samiti-01	1,026,596	-
Advance for factory construction	37,091,837	17,665,350
Advance for commercial work	-	300,000
	<b>40,938,433</b>	<b>20,785,350</b>
<b>5.00 Goods in Transit</b>	<b>15,837,736</b>	-
During the period the company imported some textile machinery (readymade garments) by invoice no.-40/2296, dated-20 June 2022 & 68/2296, dated-12 October 2022 for BDT 14,832,927 and related charges of BDT 10,04,809 under invoice no.-B/S/4460/22-23, dated- 12 January 2023 which have been in transit as on date.		
<b>6.00 Cash and cash equivalents</b>		
Cash in hand	-	-
Cash at bank	5,731,382	689,018
	<b>5,731,382</b>	<b>689,018</b>
<b>7.00 Share capital:</b>		
<b>Authorized share capital:</b> (15,00,000 Ordinary shares @ Tk.100 each)	<b>150,000,000</b>	<b>150,000,000</b>
<b>Issued, subscribed &amp; paid up share capital</b> (553,074 Ordinary shares @ Tk.100 each)	<b>55,307,400</b>	<b>23,117,400</b>
Detail of issued, subscribed, and paid up capital is as follows:		
<b>Name of the shareholder</b>		
Zodiac Clothing Company (U.A.E.) LLC (553,073 Ordinary Shares of Tk. 100 each)	55,307,300	23,117,300
Mr. Muna Mahmood Mohammed Mahmood Alawadhi (1 Ordinary Shares of Tk. 100 each)	100	100
	<b>55,307,400</b>	<b>23,117,400</b>
<b>8.00 Advance Against Share Capital in kind</b>	<b>14,832,927</b>	-
During the period the company imported some machineries & equipment for BDT 14,832,927.32 through import permission (IP no.-112000018923, issue date-12 February, 2023) which recommended by Ministry of Textile & Jute vide letter no.- 24.02.000.006.99.453.22.139, date- 07 February. Though those machineries & equipments are in transit as on date and the investment made by Zodiac Clothing Company (UAE) LLC for equity share of the company which will be allotted in future.		
<b>9.00 Liability for expenses</b>		
Zodiac Clothing Company ( UAE)LLC	8,327,832	2,654,145
Directors fees	268,566	478,500
Office rent	103,500	150,500
Legal and professional fees	30,000	46,188
Audit fees	57,500	102,500
VAT deduction at source	121,436	-
Tax deducted at source	-	65,000
	<b>8,908,834</b>	<b>3,496,833</b>



#### 10.00 Related party transactions

During the reporting year, the company entered into a number of transactions with related party. The name of the related party, nature of the transactions and amount thereof have been set out below in accordance with the provisions of IAS 24 "Related party disclosures."

Name of related party	Relationship	Nature of transactions	Opening Balance 01-Apr-2022	Transactions during the year		Closing balance 31-Mar-2023
				Debit	Credit	
Zodiac Clothing Company (U.A.E.) LLC	Parent company	Advance Against share Capital in kind	-	-	14,832,927	14,832,927
Zodiac Clothing Company (U.A.E.) LLC	Parent company	Equity Investment	23,117,300	-	32,190,000	55,307,300

