

**RITECH HOLDING LTD**

**Financial Statements**

**31 March 2025**

**Registered office:**

DD-14-124-027, 14,  
Al Khatem Tower, Wework Hub 71,  
ADGM Square, Al Maryah Island,  
Abu Dhabi, United Arab Emirates

**RITECH HOLDING LTD**

**Financial Statements  
31 March 2025**

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**RITECH HOLDING LTD**  
**Director's report**

The director submits his report and financial statements for the period ended 31<sup>st</sup> March 2025.

**Results**

The company has incurred a net loss amounting to AED 59,485/- for the period ended 31 March 2025.

**Review of the business**

The company is registered for special purpose vehicle - holding ownership of equity and non-equity assets, including shares, debentures, bonds, other forms of security. Holding ownership of real property, intellectual property, other tangible and intangible assets.

**Events since the end of the period**

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

**Shareholder and its interest**

The shareholder at 31 March 2025 and its interest as at that date in the share capital of the company was as follows:

| <u>Name of the shareholder</u> | <u>Country of incorporation</u> | <u>No. of shares</u> | <u>AED</u>   |
|--------------------------------|---------------------------------|----------------------|--------------|
| IKIO Solutions Private Limited | India                           | 200                  | 3,673        |
|                                |                                 | <b>200</b>           | <b>3,673</b> |

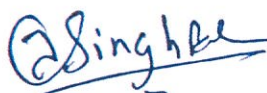
**Statement of director's responsibilities**

The applicable regulation, requires the manager to prepare the financial statements for each financial period which presents fairly in all material respects, the financial position of the entity and its financial performance for the period then ended.

The financial statements for the period under review, have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The manager confirm that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the entity and enables them to ensure that the financial statements comply with the requirements of applicable statute. The manager also confirm that appropriate accounting policies have been selected and applied consistently in order that the financial statements reflect fairly the form and substance of the transactions carried out during the period under review and reasonable present the entity's financial conditions and results of its operations.

**Auditor**

A resolution to re-appoint **Mehta & Associates Auditing** as auditor and fix their remuneration will be put to the board at the annual general meeting.



**Mr. Jaspreet Singh Pal**  
 Director



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF  
RITECH HOLDING LTD**

**Report on the Audit of Financial Statements**

**Opinion**

We have audited the financial statements of **RITECH HOLDING LTD**, which comprise the statement of financial position as at 31 March 2025 and the related statement of profit or loss account and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including the summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **RITECH HOLDING LTD** as at 31 March 2025, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs) and applicable rules and regulations of Abu Dhabi Global Market Registration Authority.

**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 auditors' 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 as applicable in United Arab Emirates and commercial rules and regulations issued by Abu Dhabi Global Market Registration Authority as amended 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.

**Other information**

Management is responsible for the other information. The other information comprises the director's report, other than 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 identified above 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 auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRSs and applicable provision of commercial rules and regulations issued by Abu Dhabi Global Market Registration Authority as amended, 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 SHAREHOLDER OF  
RITECH HOLDING LTD**

**Report on the Audit of 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 auditors' 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 auditors' 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 auditors' 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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 rules and regulations of Abu Dhabi Global Market Registration Authority, we report that:

1. We have obtained all the information and explanation we considered necessary for the purpose of our audit.
2. The financial statements have been prepared and comply, in all material respects, with the applicable rules and regulations of Abu Dhabi Global Market, and the articles of association of the company.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF  
RITECH HOLDING LTD**

**Report on the Audit of Financial Statements (contd.)**

**Report on other legal and regulatory requirements (contd.)**

3. The company has maintained proper books of account.
4. The financial information included in the director's report is consistent with the books of account of the company.
5. To the best of our knowledge and belief no violations of the rules and regulations of Abu Dhabi Global Market or the articles of association of the company have occurred during the period, which would have had a material effect on the business of the company or on its financial position.

  
Signed by  
Kalpesh K. Mehta  
Partner  
Membership no. 1003  
Dubai  
8<sup>th</sup> May 2025



## RITECH HOLDING LTD

Statement of financial position  
At 31 March 2025

|                                     | <u>Notes</u> | <u>2025<br/>AED</u>     |
|-------------------------------------|--------------|-------------------------|
| <b>ASSETS</b>                       |              |                         |
| <b>Non-current assets</b>           |              |                         |
| Investment in a subsidiary          | 6            | 867,000                 |
|                                     |              | <u>867,000</u>          |
| <b>Current assets</b>               |              |                         |
| Short-term loan to subsidiary       | 7            | -                       |
| Other receivables                   | 8            | 54,329                  |
| Prepayments                         |              | 8,812                   |
| Bank balance                        | 9            | 132,905                 |
|                                     |              | <u>196,046</u>          |
| <b>TOTAL ASSETS</b>                 |              | <u><b>1,063,046</b></u> |
| <b>EQUITY AND LIABILITIES</b>       |              |                         |
| <b>Capital and reserves</b>         |              |                         |
| Share capital                       | 10           | 3,673                   |
| Accumulated losses                  |              | (59,485)                |
| Short-term loan from shareholder    | 11           | 1,070,000               |
| <b>Total shareholder's equity</b>   |              | <u><b>1,014,188</b></u> |
| <b>Current liabilities</b>          |              |                         |
| Other payables                      | 12           | 48,858                  |
|                                     |              | <u>48,858</u>           |
| <b>TOTAL EQUITY AND LIABILITIES</b> |              | <u><b>1,063,046</b></u> |

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

The Independent Auditors' Report is set forth on pages 2-4.

Accepted and confirmed by the shareholder on 8<sup>th</sup> May 2025 and signed on their behalf by:

For RITECH HOLDING LTD



Mr. Jaspreet Singh Pal  
Director



## RITECH HOLDING LTD

Statement of profit or loss account and other comprehensive income  
for the period ended 31 March 2025

|  | <u>Notes</u> | <i>11<sup>h</sup> Dec. 2023<br/>to<br/>31<sup>st</sup> Mar. 2025<br/>AED</i> |
|--|--------------|--|
| <b>Revenue</b>                                 |              | -  |
| Expenses                                       | 13           | (36,883)   |
| <b>Loss from operations</b>                    |              | <b>(36,883)</b>  |
| Finance income                                 | 15           | 10,588   |
| Finance cost                                   | 11,15        | (33,190)   |
| <b>Loss for the period before tax</b>          |              | <b>(59,485)</b>  |
| Income tax expense                             | 14           | -  |
| Deferred tax expenses/(credit)                 |              | -  |
| <b>Net loss for the period</b>                 |              | <b>(59,485)</b>  |
| Other comprehensive income                     |              | -  |
| <b>Total comprehensive loss for the period</b> |              | <b>(59,485)</b>  |

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



## RITECH HOLDING LTD

Statement of changes in equity  
for the period ended 31 March 2025

|   | <i>Share<br/>capital</i> | <i>Accumulated<br/>losses</i> | <i>Short-term<br/>loan</i> | <i>Total</i>            |
|---|--------------------------|-------------------------------|----------------------------|-------------------------|
|   | <u>AED</u>               | <u>AED</u>                    | <u>AED</u>                 | <u>AED</u>              |
| Share capital introduced                | 3,673                    | -                             | -                          | 3,673                   |
| Total comprehensive loss for the period | -                        | (59,485)                      | -                          | (59,485)                |
| Funds introduced during the period      | -                        | -                             | 1,070,000                  | 1,070,000               |
| <b>As at 31 March 2025</b>              | <b><u>3,673</u></b>      | <b><u>(59,485)</u></b>        | <b><u>1,070,000</u></b>    | <b><u>1,014,188</u></b> |

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



## RITECH HOLDING LTD

Statement of cash flows  
for the period ended 31 March 202511<sup>th</sup> Dec. 2023  
to  
31<sup>st</sup> Mar. 2025  
AED**Cash flows from operating activities**

|  |                 |
|--|-----------------|
| Net loss for the period                              | (59,485)        |
| Adjustments for:                                     |                 |
| Finance income                                       | (10,588)        |
| Finance cost   | 33,190          |
| <b>Operating loss before working capital changes</b> | <b>(36,883)</b> |
| Changes in other receivables and prepayments         | (52,553)        |
| Changes in other payables                            | 15,668          |
| <b>Net cash from/(used in) operating activities</b>  | <b>(73,768)</b> |

**Cash flows from investing activities**

|  |                  |
|--|------------------|
| Payment for investment in subsidiary                 | (867,000)        |
| <b>Net cash from/ (used in) investing activities</b> | <b>(867,000)</b> |

**Cash flows from financing activities**

|  |                  |
|--|------------------|
| Share capital introduced                             | 3,673            |
| Short-term loan received                             | 1,070,000        |
| <b>Net cash from/ (used in) financing activities</b> | <b>1,073,673</b> |

**Net changes in cash and cash equivalents**

|   |                |
|---|----------------|
| <b>Net changes in cash and cash equivalents</b>             | <b>132,905</b> |
| <b>Cash and cash equivalents at beginning of the period</b> | <b>-</b>       |
| <b>Cash and cash equivalents at end of the period</b>       | <b>132,905</b> |

**Represented by**

|   |                |
|---|----------------|
| Bank balance in current account                       | 132,905        |
| <b>Cash and cash equivalents at end of the period</b> | <b>132,905</b> |

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



**RITECH HOLDING LTD****Notes to the Financial Statements  
for the period ended 31 March 2025****1. Legal status and business activity**

- a) **RITECH HOLDING LTD** ("The Company") is registered as a private limited company, operates under commercial license no. 14749, registered with Abu Dhabi Global Market, Abu Dhabi, U.A.E.
- b) The company is registered for special purpose vehicle - holding ownership of equity and non-equity assets, including shares, debentures, bonds, other forms of security. Holding ownership of real property, intellectual property, other tangible and intangible assets.
- c) The management and control of the company is vested with the director Mr. Jaspreet Singh Pal.

**2. Basis of preparation****a) Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) which are effective for accounting period beginning on or after 1 January 2024, and commercial rules and regulations issued by Abu Dhabi Global Market Registration Authority as amended.

**b) Basis of measurement**

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

**c) Functional and presentation currency**

The financial statements have been prepared in Arab Emirates Dirhams (AED), which is the company's functional and presentation currency.

**d) Fair value measurement**

A number of the company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The company has an established control framework with respect to the measurement of fair values.

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 quoted prices in active markets for identical assets or liabilities.
- Level 2 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.



## RITECH HOLDING LTD

**Notes to the Financial Statements  
for the period ended 31 March 2025****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. Uncertainty about these assumptions and estimates could result in outcomes that requires material adjustments to the carrying amount of the assets or liabilities affected in future periods.

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 period affected.

**Judgments made 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:

***Determining the lease term***

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option, extension options (or period after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

***Discounting of lease payments***

The lease payments are discounted using the company's incremental borrowing rate (IBR). Management has applied judgements and estimates to determine the IBR at the commencement of lease, using borrowing rates that certain financial institutions would charge the company against financing the different types of assets it leases over different terms and different ranges of values. Majority of the leases are present in the U.A.E. and accordingly no adjustments for the economic environment was deemed required.

***Impairment***

At each reporting date, management conducts an assessment of investments and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made. In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to Statement of Comprehensive Income or, if previously a provision was made, it is written off against the provision.

Reversals of provisions against receivables are made to the extent of the related amounts being recovered.

**Key sources of estimation uncertainty and assumptions**

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 period, are discussed below:

***Classification of investment as a subsidiary:***

The company has classified its 80% investment in Royalux FZCO, U.A.E., as its subsidiary, considering all relevant circumstances, the management is of the opinion that it is in a position to control the investee company.



## RITECH HOLDING LTD

**Notes to the Financial Statements  
for the period ended 31 March 2025*****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.

***Impairment of other receivables***

Management regularly undertakes a review of the amounts of loans and receivables owed to the company either from third parties or from related parties and assess the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of provisioning required.

***Taxes***

Significant judgment and estimates are required to determine the total provision for current and deferred taxes.

Tax liabilities are recorded based on management's estimate of either the most likely amount or the expected value amount depending on which method is expected to better reflect the resolution of the uncertainty. Given the inherent uncertainty in audit by the assessing tax authorities' outcomes, the company could, in future periods, experience adjustments to these tax liabilities that have a material positive or negative effect on the company's results for a particular period.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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

The company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculation is undertaken, management estimates the expected future cash flows from the asset or cash generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

***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.



## RITECH HOLDING LTD

Notes to the Financial Statements  
for the period ended 31 March 2025***Determining the lease term of contracts with renewal options***

The company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The company has the option, under some of its leases to lease the assets for additional terms. The company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

**4. Adoption of new and revised International Financial Reporting Standards****a) New and revised International Financial Reporting Standards**

The following International Financial Reporting Standards, amendments thereto and interpretations issued by IASB that became effective from 1<sup>st</sup> January 2024. The adoption of these new standards and amendments applies for the first time in 2024, they do not have a material impact on the financial statements of the company. Their adoption has resulted in presentation and disclosure changes only.

**New standard, interpretations and amendments adopted by the company during the period are as follows:**

- IFRS 16 Lease liability in a sale and leaseback
- Amendments to IAS 1 Non-current liability with covenants and classification of Liabilities as Current or Noncurrent.
- IAS 7 and IFRS 7 Suppliers finance arrangements

**New and amended standards not yet effective, but available for early adoption**

The below new and amended IFRS that are available for early adoption for financial period ending March 31, 2025 are not effective until later periods, and have not been applied in preparing these financial statements

**Adoption not expected to impact the company's financial statements:**

| <b>Effective Date</b> | <b>Description</b>                       |
|-----------------------|--|
| January 1, 2025       | • Lack of Exchangeability IAS 21, IFRS 1 |

**5. Significant accounting policies****a) Financial instruments**

Financial Instruments: Recognition and Measurement. The new standard brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities.

**Financial assets**

The company classifies financial assets upon initial recognition of IFRS 9 into following categories:

- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVOCI)
- Amortised cost (AC)



**RITECH HOLDING LTD****Notes to the Financial Statements  
for the period ended 31 March 2025****Financial instruments (contd.)****Financial assets (contd.)**

All financial assets are initially measured at fair value. Transaction costs are added to the cost of all financial instruments except for financial assets classified as at fair value through profit or loss. Transaction costs on financial assets classified as at fair value through profit or loss are recognized in the statement of profit or loss.

**Fair value through profit and loss (FVTPL)**

Financial assets whose business model is to acquire and sell, or whose contractual terms do not give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding are classified as FVTPL.

In addition to the above, on initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL. If doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets classified as FVTPL are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in the statement of profit or loss. Interest income and dividends are recognised in the statement of profit or loss according to the terms of the contract, or when the right to payment has been established.

**Fair value through other comprehensive income (FVOCI)****Debt instruments at FVOCI**

The company classifies debt instruments at FVOCI if it meets both of the following conditions:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

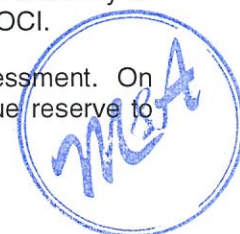
Debt instruments classified as FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in the statement of profit or loss. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to statement of profit or loss.

**Equity instruments at FVOCI**

Upon initial recognition, the company may elect to classify irrevocably some of its equity investments as at FVOCI if they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Equity instruments at FVOCI are subsequently measured at fair value. Changes in fair value including foreign exchange gains and losses are recognised in OCI. Dividends are recognised in statement of profit or loss when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI.

Equity instruments at FVOCI are not subject to an impairment assessment. On derecognition, cumulative gains or losses will be reclassified from fair value reserve to retained earnings in the statement of changes in equity.



**RITECH HOLDING LTD****Notes to the Financial Statements  
for the period ended 31 March 2025****Financial instruments (contd.)****Amortised cost (AC)**

The company classifies financial assets at AC if it meets both of the following conditions and is not designated as at FVTPL:

The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

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

Financial assets classified at AC are subsequently measured at amortised cost using the effective interest method adjusted for impairment losses, if any. Interest income, foreign exchange gains/losses and impairment are recognized in the statement of profit or loss. Any gain or loss on derecognition is recognised in the statement of profit or loss.

**Financial liabilities**

The accounting for financial liabilities remains largely the same as it was under IAS 39, except for the treatment of gains or losses arising from company's own credit risk relating to liabilities designated at FVTPL. Such movements are presented in OCI with no subsequent reclassification to the statement of profit or loss.

Under IFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on the business model and their contractual terms. The accounting for derivatives embedded in financial liabilities and in non-financial host contracts has not changed.

**Classification and measurement of financial assets and financial liabilities**

The company determines classification and measurement category of financial assets, except equity instruments and derivatives, based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

**Offsetting financial instruments**

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

**Business model**

The company determines its business model at the level that best reflects how it manages company's financial assets to achieve its business objective. The company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

How the performance of the business model and the financial assets held within that business model are evaluated and reported to the company's key management personnel.

The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).



## RITECH HOLDING LTD

**Notes to the Financial Statements  
for the period ended 31 March 2025****Financial instruments (contd.)****Business model (contd.)**

The expected frequency, value and timing of sales are also important aspects of the company's assessment. The business model assessment is based on reasonably expected scenarios without taking "worst case" or "stress case" scenarios into account.

**The SPPI test**

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the company assesses whether the financial instruments' cash flows met the SPPI test.

"Principal" for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a basic lending arrangement are typically the consideration for the time value of money, credit risk, other basic lending risks and a profit margin. To make the SPPI assessment, the company applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

The effect of the adoption of IFRS 9 regarding the investment's classification and measurement is the reclassification of the company's certain investments in accordance with the requirement of the standard has no impact on the statement of profit or loss.

**Impairment of financial assets**

IFRS 9 replaces the "incurred loss" model in IAS 39 with an "Expected Credit Loss" (ECL) model. Accordingly, the company applies the new impairment model for its financial assets. The company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Incorporating forward-looking information increases the degree of judgment required as to how changes in these macro-economic factors will affect ECLs. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

IFRS 9 introduces three-stage approach to measuring ECL. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

*Stage 1: 12 months ECL*

For exposures where there has not been a significant increase in credit risk since initial recognition, the portion of the lifetime ECL associated with the probability of default events occurring within next 12 months is recognised.

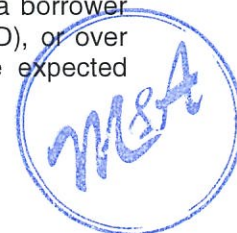
*Stage 2: Lifetime ECL - not credit impaired*

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised.

*Stage 3: Lifetime ECL - credit impaired*

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred.

ECL are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. EAD represents the expected exposure in the event of a default.



## RITECH HOLDING LTD

**Notes to the Financial Statements  
for the period ended 31 March 2025****Financial instruments (contd.)****Impairment of financial assets (contd.)**

The company derives the EAD from the current exposure to the financial instruments and potential changes to the current amounts allowed under the contract including amortization. The EAD of a financial asset is its gross carrying amount. The LGD represents expected loss conditional on default, its expected value when realized and the time value of money.

The company expects to apply the simplified approach to recognize lifetime expected credit losses for its trade receivables as permitted by IFRS 9. Accordingly, trade receivables which are not credit impaired and which do not have significant financing component is categorized under stage 2 and lifetime ECL is recognised.

Objective evidence that debt instrument is impaired includes whether any payment of principal or profit is overdue by more than 90 days or there are any known difficulties in the cash flows including the sustainability of the counterparty's business plan, credit rating downgrades, breach of original terms of the contract, its ability to improve performance once a financial difficulty has arisen, deterioration in the value of collateral etc. The company assesses whether objective evidence of impairment exists on an individual basis for each individually significant asset and collectively for others not deemed individually significant.

Loss allowances for ECL are presented as a deduction from the gross carrying amount of the financial assets with fair value.

**Impairment of non-financial asset**

The carrying amounts of the company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the profit or loss.

A cash generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups.

**b) Inventories**

Inventories are valued at lower of cost or net realizable value, after making due allowance for any obsolete or slow-moving items. Cost is arrived at using the weighted average method and consists of aggregate of invoice value and other related direct expenses incurred to bring the inventories to their present location and condition. Net realizable value is based on estimated selling price less estimated cost to disposal.

**c) Other receivables**

An estimate is made for doubtful receivables based on a periodic review of all outstanding amounts.

Bad debts are written off when identified.

**d) Cash and cash equivalents**

Cash and cash equivalents for the purpose of the cash flow statement comprise 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.



## RITECH HOLDING LTD

**Notes to the Financial Statements  
for the period ended 31 March 2025****e) Other payables**

Liabilities are recognized for amounts to be paid for goods or services received, whether invoiced by the supplier or not.

**f) 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.

**g) Staff end of service benefits**

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

**h) Taxation**

Tax expense represents the sum of the current period tax expense and the deferred tax charge.

Current tax is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense which are taxable or deductible in other periods and it further excludes items which are never taxable or deductible. The company's liability for current tax is calculated using tax rates which have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised, using the liabilities method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entities or different taxable entities where there is an intention to settle the balances on a net basis.



## RITECH HOLDING LTD

**Notes to the Financial Statements  
for the period ended 31 March 2025**

**i) Leases**

At the commencement date of a lease, the company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

**Short term leases and leases of low value assets**

The company applies the short-term lease recognition exemption to its short-term leases of office space (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 and leases of low value assets are recognised as expense on a straight-line basis over the lease term

Subsequent to initial measurement, the liability is reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

**j) 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.

**k) Revenue from contract with customers**

Revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

It established a new five-step model that will apply to revenue arising from contracts with customers as follows:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

**Revenue from contract with customers (contd.)**

**Sales of goods**

Sales represents net amount invoiced for goods delivered during the period. Sales are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.



## RITECH HOLDING LTD

Notes to the Financial Statements  
for the period ended 31 March 2025**Other income**

Other income is accounted on accrual basis, when the right to receive the income is established.

**l) Foreign currency transactions**

Transactions in foreign currencies are converted into U.A.E. Dirhams at the 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 exchange gains/losses are taken to the statement of comprehensive income.

**m) Dividend**

Dividend is paid out of accumulated profits, as and when declared.

**2025**  
**AED**

**6. Investment in a subsidiary**

|   |                |
|---|----------------|
| 80% investment in the share capital of Royalux FZCO, U.A.E. | 160,000        |
| Additional share capital *                                  | 707,000        |
|   | <u>867,000</u> |

\* Represents advance for share capital as per the share sale agreement dated 7<sup>th</sup> January 2025. The revised share capital has not been incorporated in MOA as on reporting date. After the revision the company will have 51% shareholding in the subsidiary.

**7. Short term loan to subsidiary**

Represented short-term loan given to Royalux FZCO, subsidiary of the company. The loan was converted into additional capital, as per the share sale agreement dated 7<sup>th</sup> January 2025. Interest of 8.10% p.a. was charged on this loan. (refer note 15).

**8. Other receivables**

|                                      |               |
|--------------------------------------|---------------|
| <b>Financial assets</b>              |               |
| Interest receivables (refer note 15) | 10,588        |
| Other receivables (refer note 15)    | 43,741        |
|                                      | <u>54,329</u> |

**9. Bank balance**

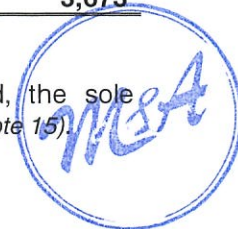
|                  |                |
|------------------|----------------|
| Bank balance in: |                |
| Current account  | 132,905        |
|                  | <u>132,905</u> |

**10. Share capital**

|   |              |
|---|--------------|
| <b>Authorised, issued and paid-up capital</b> |              |
| <b>Equity shares</b>                          |              |
| 200 shares of USD 5/- each (@ AED 3.6725/USD) | 3,673        |
|   | <u>3,673</u> |

**11. Short term loan from shareholder**

Represents short-term loan received from Ikio Solutions Private Limited, the sole shareholder of the company. Interest of 8.10% p.a. is payable on loan (refer note 15).



## RITECH HOLDING LTD

Notes to the Financial Statements  
for the period ended 31 March 2025

|                                  | <u>2025</u><br><u>AED</u>   |
|----------------------------------|---|
| <b>12. Other payables</b>        |   |
| <b>Financial liabilities</b>     |   |
| Interest payable (refer note 15) | 33,190  |
| Other payable (refer note 15)    | 15,668  |
|                                  | <u>48,858</u>   |
|                                  | <i>11<sup>th</sup> Dec. 2023</i><br><i>to</i><br><i>31<sup>st</sup> Mar. 2025</i><br><u>AED</u> |
| <b>13. Expenses</b>              |   |
| License expense                  | 3,851   |
| Other administrative expenses    | 33,032  |
|                                  | <u>36,883</u>   |

**14. Income tax**

As per clause 2 of article 3 of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, 0% (zero percent) corporate tax shall be imposed on qualifying free zone person deriving qualifying income from qualifying activities. As per Cabinet Decision No. 100 of 2023 read with Ministerial Decision No. (265) of 2023, the holding of shares and other securities for investment purposes are qualifying activities and corporate tax at the rate of 0% shall be applicable.

The company is a holding company. Hence, the company is eligible for corporate tax at the rate of 0% for the period ended 31st March 2025.

**15. Related party transactions**

For the purpose of these financial statement, 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 party financial and operating decisions, or vice versa, or where the company and the party are subject to common control or common significant influence. Related party may be individuals or other entities.

**Companies under common management control, having transactions during the period**

1. Royalux FZCO, U.A.E.
2. IKIO Solutions Private Limited, India

The nature and amount of significant related party transactions, which were carried out in the normal course of business on terms agreed between the parties during the period are as under:

|  | <i>11<sup>th</sup> Dec. 2023</i><br><i>to</i><br><i>31<sup>st</sup> Mar. 2025</i><br><u>AED</u> |
|--|---|
| <b>Companies under common management control</b> |   |
| Interest from subsidiary                         | 10,588  |
| Interest to shareholder                          | 33,190  |



## RITECH HOLDING LTD

Notes to the Financial Statements  
for the period ended 31 March 2025

Significant balances with related party outstanding as at the reporting date are as follows:

|   | <b>2025</b>       |
|---|-------------------|
|   | <b><u>AED</u></b> |
| <b>Directors', key management personnel and their related parties</b> |                   |
| <b>Short-term loan from shareholder</b>                               |                   |
| Ikio Solutions Private Limited  | 1,070,000         |
| <b>Other receivables</b>  |                   |
| Interest receivable from Royalux                                      | 10,588            |
| Receivable from Royalux FZCO  | 43,741            |
| <b>Other payables</b>   |                   |
| Interest payable to Ikio Solutions Private Limited                    | 33,190            |
| Payable to Mr. Jaspreet Singh Pal (Director)                          | 15,668            |

**16. Financial instrument risks**

The company has exposure to the following risks from its use of 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 accounts and other receivables and bank balances.

**Credit risk management**

Maximum exposure to credit risk – Financial instruments subject to impairment The following table contains an analysis of the credit risk exposure of financial assets which are subject to ECL. The gross carrying amount of financial assets below also represents the company's maximum exposure to credit risk on these assets:

**Credit risk exposures relating to on balance sheet assets are as follows:**

|   | <b>ECL</b>       | <b>ECL</b>       | <b>ECL</b>       | <b>Total</b>   |
|---|------------------|------------------|------------------|----------------|
|   | <b>staging 1</b> | <b>staging 2</b> | <b>staging 3</b> |                |
| Other receivables ( <i>financial assets</i> ) | 54,329           | -                | -                | 54,329         |
| Bank balances                                 | 132,905          | -                | -                | 132,905        |
| Loss allowance                                | -                | -                | -                | -              |
| Carrying amount                               | <b>187,234</b>   | -                | -                | <b>187,234</b> |

**Bank balances**

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

**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 interest rate risk, exchange rate risk or other price risk, which will affect the company's income or the value of its holding of financial instruments.

Financial instruments affected by market risk include financial assets in the form of loans and receivables only. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

## RITECH HOLDING LTD

**Notes to the Financial Statements  
for the period ended 31 March 2025****Interest rate risk**

Interest rate risk is minimum as there are no fixed deposits or bank borrowings at as at the reporting date. Interest on short term loan from a shareholder is at a fixed rate of interest of 8.10% p.a.

**c) Liquidity risk**

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the company's reputation.

**Exchange rate risk**

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirham or U.S. Dollars to which U.A.E. Dirham is fixed

**17. Financial instruments: Fair value**

The fair values of the company's financial assets, comprising of other receivables, short term loan and cash and bank balances and financial liabilities, comprising of other payables approximate their carrying values.

**18. Contingent liabilities**

There are no significant amount of contingent liabilities outstanding as at the reporting date.

**19. Comparative figures**

Previous year's figures have not been stated, as this is the first financial period end of the company.



**RITECH HOLDING LTD**

**Consolidated Financial Statements**

**31 March 2025**

**Registered office:**

DD-14-124-027,14,  
Al Khatem Tower, Wework Hub 71,  
ADGM Square, Al Maryah Island,  
Abu Dhabi, United Arab Emirates

**RITECH HOLDING LTD**

**Consolidated Financial Statements  
31 March 2025**

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**RITECH HOLDING LTD**  
**Director's report**

The director submits his report and consolidated financial statements for the period ended 31<sup>st</sup> March 2025.

**Results**

The Group has incurred a net loss amounting to AED 161,869/- for the period ended 31<sup>st</sup> March 2025.

**Review of the business**

The company is registered for special purpose vehicle - holding ownership of equity and non-equity assets, including shares, debentures, bonds, other forms of security. Holding ownership of real property, intellectual property, other tangible and intangible assets. The company has 51% shareholding in Royalux FZCO, registered with Jebel Ali Free Zone Authority.

**Events since the end of the period**

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

**Shareholder and its interest**

The shareholder at 31<sup>st</sup> March 2025 and its interest as at that date in the share capital of the company was as follows:

| <u>Name of the shareholder</u> | <u>Country of incorporation</u> | <u>No. of shares</u> | <u>AED</u>   |
|--------------------------------|---------------------------------|----------------------|--------------|
| IKIO Solutions Private Limited | India                           | 200                  | 3,673        |
|                                |                                 | <u>200</u>           | <u>3,673</u> |

*As per Amendment in Articles of Association dated 15<sup>th</sup> May 2024, Mr. Jaspreet Singh Pal sold his shares to Ikio Solutions Private Limited.*

**Statement of director's responsibilities**

The applicable regulation, requires the director to prepare the consolidated financial statements for each financial period which presents fairly in all material respects, the financial position of the group and its financial performance for the period then ended.

The consolidated financial statements for the period under review, have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The director confirm that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the group and enables them to ensure that the consolidated financial statements comply with the requirements of applicable statute. The director also confirm that appropriate accounting policies have been selected and applied consistently in order that the consolidated financial statements reflect fairly the form and substance of the transactions carried out during the period under review and reasonable present the group's financial conditions and results of its operations.

**Auditor**

A resolution to re-appoint **Mehta & Associates Auditing** as auditor and fix their remuneration will be put to board at the annual general meeting.

  
 Mr. Jaspreet Singh Pal  
 Director



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF  
RITECH HOLDING LTD**

**Report on the Audit of Consolidated Financial Statements**

**Opinion**

We have audited the consolidated financial statements of the **RITECH HOLDING LTD**, which comprise the consolidated statement of financial position as at 31 March 2025, and the related consolidated statement of profit and loss & other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of **RITECH HOLDING LTD** as at 31 March 2025, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs) and applicable rules and regulations of Abu Dhabi Global Market Registration Authority.

**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 auditors' 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 as applicable in United Arab Emirates and commercial rules and regulations issued by Abu Dhabi Global Market Registration Authority as amended 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.

**Other information**

Management is responsible for the other information. The other information comprises the manager's report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the IFRSs and applicable provision of commercial rules and regulations issued by Abu Dhabi Global Market Registration Authority as amended, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF  
RITECH HOLDING LTD**

**Report on the Audit of Financial Statements (contd.)**

**Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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**

Also, in our opinion, the Group has maintained proper books of account and these consolidated financial statements are in agreement with the books of account. We have obtained all the information considered necessary for our audit. To the best of our knowledge and belief no violations of the commercial rules and regulations issued by Abu Dhabi Global Market Registration Authority as amended or the articles of association have occurred during the period, which would have had a material effect on the business of the Group or on its consolidated financial position.

Signed by  
Kalpesh K. Mehta  
Partner  
Registration no. 1003  
Dubai  
8<sup>th</sup> May 2025



Consolidated statement of financial position  
At 31 March 2025

|                                     | <u>Notes</u> | <u>2025</u><br><u>AED</u> |
|-------------------------------------|--------------|---------------------------|
| <b>ASSETS</b>                       |              |                           |
| <b>Non-current assets</b>           |              |                           |
| Fixed assets                        | 6            | 81,670                    |
|                                     |              | <u>81,670</u>             |
| <b>Current assets</b>               |              |                           |
| Inventories                         | 7            | 2,744,857                 |
| Trade and other receivables         | 8            | 2,933,742                 |
| Prepayments                         |              | 78,279                    |
| Cash and bank balances              | 9            | 700,870                   |
|                                     |              | <u>6,457,748</u>          |
| <b>TOTAL ASSETS</b>                 |              | <u><b>6,539,418</b></u>   |
| <b>EQUITY AND LIABILITIES</b>       |              |                           |
| <b>Capital and reserves</b>         |              |                           |
| Share capital                       | 10           | 3,673                     |
| Accumulated losses                  |              | (139,811)                 |
| <b>Equity funds</b>                 |              |                           |
| Short-term loan from shareholder    |              | (136,138)                 |
| Non-controlling interest            | 11           | 1,070,000                 |
| <b>Total shareholder's equity</b>   |              | <u>652,839</u>            |
|                                     |              | <u><b>1,586,701</b></u>   |
| <b>Current liabilities</b>          |              |                           |
| Trade and other payables            | 12           | 4,952,717                 |
|                                     |              | <u>4,952,717</u>          |
| <b>TOTAL EQUITY AND LIABILITIES</b> |              | <u><b>6,539,418</b></u>   |

The accompanying notes form an integral part of these consolidated financial statements.

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

Accepted and confirmed by the board of directors on 8<sup>th</sup> May 2025 and signed on their behalf by:

For RITECH HOLDING LTD



Mr. Jaspreet Singh Pal  
Director/Authorised Signatory



## RITECH HOLDING LTD

Consolidated statement of profit or loss account and other comprehensive income  
for the period ended 31 March 2025

|  | <u>Notes</u> | <u>15<sup>th</sup> May 2024<br/>to<br/>31<sup>st</sup> Mar. 2025<br/>AED</u> |
|--|--------------|--|
| <b>Sales</b>                                     |              | <b>4,610,803</b>   |
| Cost of goods sold                               | 13           | (2,974,327)  |
| Direct expenses                                  | 14           | <u>(610,521)</u>   |
| <b>Gross profit</b>                              |              | <b>1,025,955</b>   |
| Expenses   | 15           | <u>(1,154,634)</u>   |
| <b>Loss from operations</b>                      |              | <b>(128,679)</b>   |
| Finance cost on short-term loan from shareholder | 11,17        | <u>(33,190)</u>  |
| <b>Loss for the period before tax</b>            |              | <b>(161,869)</b>   |
| Income tax expense                               | 16           | -  |
| Deferred tax expenses/(credit)                   |              | <u>-</u>   |
| <b>Loss for the period</b>                       |              | <b>(161,869)</b>   |
| Other comprehensive income                       |              | <u>-</u>   |
| <b>Total comprehensive loss for the period</b>   |              | <b><u>(161,869)</u></b>  |
| <b>Attributable to</b>                           |              |  |
| Owners of the parent                             |              | (102,528)  |
| Non-controlling interests                        |              | <u>(59,341)</u>  |
|  |              | <b><u>(161,869)</u></b>  |

*The accompanying notes form an integral part of these consolidated financial statements.*



## RITECH HOLDING LTD

Consolidated statement of changes in equity  
for the period ended 31 March 2025

|   | <i>Share<br/>capital<br/><u>AED</u></i> | <i>Accumulated<br/>losses<br/><u>AED</u></i> | <i>Short-term<br/>loan<br/><u>AED</u></i> | <i>Non-controlling<br/>interest<br/><u>AED</u></i> | <i>Total<br/><u>AED</u></i> |
|---|---|--|---|--|-----------------------------|
| <b>As at 14 May 2024</b>                | <b>3,673</b>                            | <b>(37,283)</b>                              | -   | <b>4,180</b>                                       | <b>(29,430)</b>             |
| Total comprehensive loss for the period | -                                       | (102,528)                                    | -   | (59,341)   | (161,869)                   |
| Funds introduced during the period      | -                                       | -  | 1,070,000                                 | 708,000  | 1,778,000                   |
| <b>As at 31 March 2025</b>              | <b>3,673</b>                            | <b>(139,811)</b>                             | <b>1,070,000</b>                          | <b>652,839</b>                                     | <b>1,586,701</b>            |

*The accompanying notes form an integral part of these consolidated financial statements.*



## RITECH HOLDING LTD

Consolidated statement of cash flows  
for the period ended 31 March 202515<sup>th</sup> May 2024  
to  
31<sup>st</sup> Mar. 2025  
**AED**

|   |                    |
|---|--------------------|
| <b><u>Cash flows from operating activities</u></b>          |                    |
| Net loss for the period                                     | (161,869)          |
| Adjustments for:  |                    |
| Depreciation on fixed assets                                | 16,472             |
| Finance cost  | 33,190             |
| <b>Operating profit before working capital changes</b>      | <b>(112,207)</b>   |
| Changes in inventories                                      | (2,180,567)        |
| Changes in accounts and other receivables, prepayments      | (2,977,371)        |
| Changes in accounts and other payables                      | 4,267,511          |
| <b>Net cash from/(used in) operating activities</b>         | <b>(1,002,634)</b> |
| <b><u>Cash flows from investing activities</u></b>          |                    |
| Payment for additions in fixed assets                       | (78,296)           |
| <b>Net cash from/(used in) investing activities</b>         | <b>(78,296)</b>    |
| <b><u>Cash flows from financing activities</u></b>          |                    |
| Funds introduced by shareholder                             | 708,000            |
| Short-term loan from shareholder received                   | 1,070,000          |
| <b>Net cash from/(used in) financing activities</b>         | <b>1,778,000</b>   |
| <b>Net changes in cash and cash equivalents</b>             | <b>697,070</b>     |
| <b>Cash and cash equivalents at beginning of the period</b> | <b>3,800</b>       |
| <b>Cash and cash equivalents at end of the period</b>       | <b>700,870</b>     |
| <b>Represented by</b>                                       |                    |
| Cash on hand  | 6,410              |
| Bank balances in current accounts                           | 694,460            |
| <b>Cash and cash equivalents at end of the period</b>       | <b>700,870</b>     |

*The accompanying notes form an integral part of these consolidated financial statements.*



## RITECH HOLDING LTD

Notes to the Consolidated Financial Statements  
for the period ended 31 March 2025

## 1. Legal status and business activity

- a) **RITECH HOLDING LTD** (“The Company”) is registered as a private limited company, operates under commercial license no. 14749, registered with Abu Dhabi Global Market, Abu Dhabi, U.A.E.
- b) These consolidated financial statements include the financial performance and position of the company and its subsidiary as listed below (collectively the “Group”)

| <u>Name of the companies</u> | <u>Country of incorporation</u> | <u>Registered activity</u>  | <u>Percentage of ownership</u> |
|------------------------------|---------------------------------|---|--------------------------------|
| Ritech Holding Ltd           | U.A.E.                          | Holding ownership of equity and non-equity assets, including shares, debentures, bonds, other forms of security, holding ownership of real estate property, intellectual property, other tangible and intangible assets | N.A.                           |
| Royalux FZCO                 | U.A.E.                          | Trading of chandeliers, light fitting & fixtures, wires and cables, electrical fittings and lighting equipment & requisites.  | 51%                            |

- c) The management of the Group is vested with the manager Mr. Jaspreet Singh Pal.

## 2. Basis of preparation

## a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) which are effective for accounting period beginning on or after 1 January 2024, and the applicable rules and regulations of the respective governing authorities where Group companies are registered.

## b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

## c) Functional and presentation currency

The consolidated financial statements have been prepared in Arab Emirates Dirhams (AED), which is the Group’s functional and presentation currency.

## d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and subsidiary controlled by the company (its subsidiary).

The control is based on whether,

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



## RITECH HOLDING LTD

Notes to the Consolidated Financial Statements  
for the period ended 31 March 2025**Basis of consolidation (contd.)**

The results of subsidiary acquired or disposed off during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group's entities.

All intra company transactions, balances, income and expenses are eliminated on consolidation.

**Subsidiaries**

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

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

Subsidiary is consolidated from the date that control is transferred to the company and is no longer consolidated from the date that control ceased.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill.

**e) Fair value measurement**

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values.

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 Group 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 quoted prices in active markets for identical assets or liabilities.
- Level 2 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.



## RITECH HOLDING LTD

**Notes to the Consolidated Financial Statements  
for the period ended 31 March 2025****3. Use of estimates and judgments**

The preparation of the consolidated 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. Uncertainty about these assumptions and estimates could result in outcomes that requires a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

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 period affected.

**Judgments made in applying accounting policies**

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

***Determining the lease term***

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option, extension options (or period after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

***Discounting of lease payments***

The lease payments are discounted using the group's incremental borrowing rate (IBR), due to the absence of implicit rates in the lease contracts. Management has applied judgements and estimates to determine the IBR at the commencement of lease, using borrowing rates that certain financial institutions would charge the group against financing the different types of assets it leases over different terms and different ranges of values. Majority of the leases are present in the U.A.E. and accordingly no adjustments for the economic environment was deemed required.

***Impairment***

At each reporting date, management conducts an assessment of fixed assets, intangible assets, investments and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made. In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to statement of comprehensive income or, if previously a provision was made, it is written off against the provision.

Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.

***Classification of investment as a subsidiary:***

The Group has classified its 51% investment in Royalux FZCO, U.A. E., a Jebel Ali Free Zone company, as its subsidiary, considering all relevant circumstances, the management is of the opinion that it is in a position to control the investee.



## RITECH HOLDING LTD

**Notes to the Consolidated Financial Statements  
for the period ended 31 March 2025****Key sources of estimation uncertainty and assumptions**

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 period, are discussed below:

***Residual values of fixed assets***

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 fixed assets***

Management determines the estimated useful lives and depreciation charge for its fixed assets 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.

***Impairment of accounts and other receivables***

Management regularly undertakes a review of the amounts of loans and receivables owed to the group either from third parties or from related parties and assess the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of provisioning required.

***Taxes***

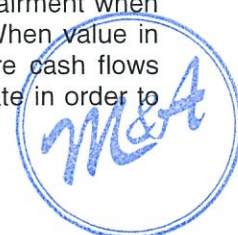
Significant judgment and estimates are required to determine the total provision for current and deferred taxes.

Tax liabilities are recorded based on management's estimate of either the most likely amount or the expected value amount depending on which method is expected to better reflect the resolution of the uncertainty. Given the inherent uncertainty in audit by the assessing tax authorities' outcomes, the company could, in future periods, experience adjustments to these tax liabilities that have a material positive or negative effect on the company's results for a particular period.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculation is undertaken, management estimates the expected future cash flows from the asset or cash generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.



## RITECH HOLDING LTD

**Notes to the Consolidated Financial Statements  
for the period ended 31 March 2025**
***Fair value measurements and valuation processes***

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

In estimating the fair value of an asset or liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group 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.

***Determining the lease term of contracts with renewal options***

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an

economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

**4. Adoption of new and revised International Financial Reporting Standards**
**a) New and revised International Financial Reporting Standards**

The following International Financial Reporting Standards, amendments thereto and interpretations issued by IASB that became effective from 1<sup>st</sup> January 2024. The adoption of these new standards and amendments applies for the first time in 2024, they do not have a material impact on the financial statements of the company. Their adoption has resulted in presentation and disclosure changes only.

**New standard, interpretations and amendments adopted by the company during the period are as follows:**

- IFRS 16 Lease liability in a sale and leaseback
- Amendments to IAS 1 Non-current liability with covenants and classification of Liabilities as Current or Noncurrent.
- IAS 7 and IFRS 7 Suppliers finance arrangements

**New and amended standards not yet effective, but available for early adoption**

The below new and amended IFRS that are available for early adoption for financial period ending March 31, 2025 are not effective until a later period, and have not been applied in preparing these consolidated financial statements.

**Adoption not expected to impact the company's financial Statements:**

| Effective Date  | Description                              |
|-----------------|--|
| January 1, 2025 | • Lack of Exchangeability IAS 21, IFRS 1 |



## RITECH HOLDING LTD

Notes to the Consolidated Financial Statements  
for the period ended 31 March 2025

## 5. Significant accounting policies

## a) Depreciation of fixed assets

The cost of fixed assets is depreciated using the straight-line value method as per the useful lives of the assets as estimated by the management.

|                     |         |
|---------------------|---------|
| Furniture & fixture | 5 years |
| Office equipment    | 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.

Right of use assets are measure at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right to use assets includes the amount of lease liabilities recognized, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right to use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right of use assets are subject to impairment.

## b) Financial instruments:

Financial Instruments: Recognition and Measurement. The new standard brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities.

**Financial assets**

The group classifies financial assets upon initial recognition of IFRS 9 into following categories:

- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVOCI)
- Amortized cost (AC)

All financial assets are initially measured at fair value. Transaction costs are added to the cost of all financial instruments except for financial assets classified as at fair value through profit or loss. Transaction costs on financial assets classified as at fair value through profit or loss are recognized in the statement of profit or loss.

**Fair value through profit and loss (FVTPL)**

Financial assets whose business model is to acquire and sell, or whose contractual terms do not give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding are classified as FVTPL.

In addition to the above, on initial recognition, the group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL. If doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.



## RITECH HOLDING LTD

**Notes to the Consolidated Financial Statements  
for the period ended 31 March 2025****Fair value through profit and loss (FVTPL) (contd.)**

Financial assets classified as FVTPL are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in the statement of profit or loss. Interest income and dividends are recognized in the statement of profit or loss according to the terms of the contract, or when the right to payment has been established.

**Fair value through other comprehensive income (FVOCI)****Debt instruments at FVOCI**

The group classifies debt instruments at FVOCI if it meets both of the following conditions:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments classified as FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in the statement of profit or loss. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to statement of profit or loss.

**Equity instruments at FVOCI**

Upon initial recognition, the group may elect to classify irrevocably some of its equity investments as at FVOCI if they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Equity instruments at FVOCI are subsequently measured at fair value. Changes in fair value including foreign exchange gains and losses are recognized in OCI. Dividends are recognized in statement of profit or loss when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI.

Equity instruments at FVOCI are not subject to an impairment assessment. On derecognition, cumulative gains or losses will be reclassified from fair value reserve to retained earnings in the statement of changes in equity.

**Amortized cost (AC)**

The group classifies financial assets at AC if it meets both of the following conditions and is not designated as at FVTPL:

The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

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

Financial assets classified at AC are subsequently measured at amortized cost using the effective interest method adjusted for impairment losses, if any. Interest income, foreign exchange gains/losses and impairment are recognized in the statement of profit or loss. Any gain or loss on derecognition is recognized in the statement of profit or loss.



**RITECH HOLDING LTD****Notes to the Consolidated Financial Statements  
for the period ended 31 March 2025****Financial liabilities**

The accounting for financial liabilities remains largely the same as it was under IAS 39, except for the treatment of gains or losses arising from group's own credit risk relating to liabilities designated at FVTPL. Such movements are presented in OCI with no subsequent reclassification to the statement of profit or loss.

Under IFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on the business model and their contractual terms. The accounting for derivatives embedded in financial liabilities and in non-financial host contracts has not changed.

**Classification and measurement of financial assets and financial liabilities**

The group determines classification and measurement category of financial assets, except equity instruments and derivatives, based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

**Offsetting financial instruments**

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

**Business model**

The group determines its business model at the level that best reflects how it manages group's financial assets to achieve its business objective. The group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

How the performance of the business model and the financial assets held within that business model are evaluated and reported to the group's key management personnel.

The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

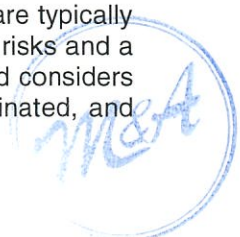
The expected frequency, value and timing of sales are also important aspects of the group's assessment. The business model assessment is based on reasonably expected scenarios without taking "worst case" or "stress case" scenarios into account.

**The SPPI test**

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the group assesses whether the financial instruments' cash flows met the SPPI test.

"Principal" for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a basic lending arrangement are typically the consideration for the time value of money, credit risk, other basic lending risks and a profit margin. To make the SPPI assessment, the group applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.



## RITECH HOLDING LTD

Notes to the Consolidated Financial Statements  
for the period ended 31 March 2025**The SPPI test (contd.)**

The effect of the adoption of IFRS 9 regarding the investment's classification and measurement is the reclassification of the group's certain investments in accordance with the requirement of the standard has no impact on the statement of profit or loss.

**Impairment of financial assets**

IFRS 9 replaces the "incurred loss" model in IAS 39 with an "Expected Credit Loss" (ECL) model. Accordingly, the group applies the new impairment model for its financial assets. The group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Incorporating forward-looking information increases the degree of judgment required as to how changes in these macro-economic factors will affect ECLs. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

IFRS 9 introduces three-stage approach to measuring ECL. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

*Stage 1: 12 months ECL*

For exposures where there has not been a significant increase in credit risk since initial recognition, the portion of the lifetime ECL associated with the probability of default events occurring within next 12 months is recognized.

*Stage 2: Lifetime ECL - not credit impaired*

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognized.

*Stage 3: Lifetime ECL - credit impaired*

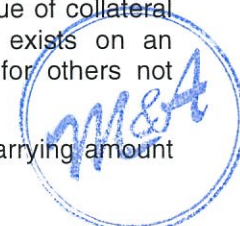
Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred.

ECL are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. EAD represents the expected exposure in the event of a default. The group derives the EAD from the current exposure to the financial instruments and potential changes to the current amounts allowed under the contract including amortization. The EAD of a financial asset is its gross carrying amount. The LGD represents expected loss conditional on default, its expected value when realized and the time value of money.

The group expects to apply the simplified approach to recognize lifetime expected credit losses for its accounts receivables as permitted by IFRS 9. Accordingly, accounts receivables which are not credit impaired and which do not have significant financing component is categorized under stage 2 and lifetime ECL is recognized.

Objective evidence that debt instrument is impaired includes whether any payment of principal or profit is overdue by more than 90 days or there are any known difficulties in the cash flows including the sustainability of the counterparty's business plan, credit rating downgrades, breach of original terms of the contract, its ability to improve performance once a financial difficulty has arisen, deterioration in the value of collateral etc. The group assesses whether objective evidence of impairment exists on an individual basis for each individually significant asset and collectively for others not deemed individually significant.

Loss allowances for ECL are presented as a deduction from the gross carrying amount of the financial assets with fair value.



## RITECH HOLDING LTD

Notes to the Consolidated Financial Statements  
for the period ended 31 March 2025**Impairment of non-financial asset**

The carrying amounts of the group non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the profit or loss.

A cash generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups.

Cost includes cost of land, premium paid on acquiring land, construction cost and other related direct cost incurred to develop the properties.

Net realisable value is the estimated selling price in the ordinary course of the business less the cost to complete the development and estimated selling expenses.

The management reviews the carrying value of the development properties on annual basis.

**c) Inventories**

Inventories are valued at lower of cost or net realizable value, after making due allowance for any obsolete or slow-moving items. Cost is arrived at using the weighted average method and consists of aggregate of invoice value and other related direct expenses incurred to bring the inventories to their present location and condition. Net realizable value is based on estimated selling price less estimated cost to disposal.

**d) Trade and other receivables**

Trade receivables are carried at the original invoice amount to the customers.

An estimate is made for doubtful receivables based on a periodic review of all outstanding amounts.

Bad debts are written off when identified.

**e) Cash and cash equivalents**

Cash and cash equivalents for the purpose of the cash flow statement comprise 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.

**f) Trade and other payables**

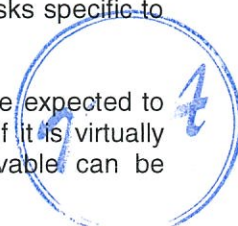
Liabilities are recognized for amounts to be paid for goods or services received, whether invoiced by the supplier or not.

**g) Provisions**

Provisions are recognized when the group 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.



## RITECH HOLDING LTD

**Notes to the Consolidated Financial Statements  
for the period ended 31 March 2025****h) Staff end of service benefits**

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

**i) Taxation**

Tax expense represents the sum of the current period tax expense and the deferred tax charge.

Current tax is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense which are taxable or deductible in other periods and it further excludes items which are never taxable or deductible. The company's liability for current tax is calculated using tax rates which have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised, using the liabilities method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entities or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

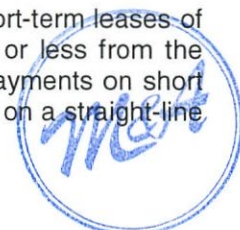
**j) Lease liabilities**

At the commencement date of a lease, the group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease, if that rate is readily available or the group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

**Short term leases and leases of low value assets**

The group applies the short-term lease recognition exemption to its short-term leases of office space (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 and leases of low value assets are recognised as expense on a straight-line basis over the lease term.



## RITECH HOLDING LTD

**Notes to the Consolidated Financial Statements  
for the period ended 31 March 2025****Lease liabilities (contd.)****Short term leases and leases of low value assets (contd.)**

Subsequent to initial measurement, the liability is reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

**k) Contingencies**

Contingent liabilities are not recognized in the Consolidated 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 Consolidated Financial Statements but disclosed when an inflow of economic benefits is probable.

**l) Revenue from contract with customers**

Revenue is recognized at an amount that reflects the consideration to which the group expects to be entitled in exchange for transferring goods or services to a customer.

It established a new five-step model that will apply to revenue arising from contracts with customers as follows:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

**Sales of goods**

Sales represents net amount invoiced for goods delivered during the year. Sales are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

**Other income**

Other income is accounted on accrual basis, when the right to receive the income is established.

**m) Foreign currency transactions**

Transactions in foreign currencies are converted into U.A.E. Dirhams at the 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 exchange gains/losses are taken to the consolidated statement of comprehensive income.

**n) Dividend**

Dividend is paid out of accumulated profits, when declared.



## RITECH HOLDING LTD

Notes to the Consolidated Financial Statements  
for the period ended 31 March 2025

| 6. Fixed assets                 | <i>Furniture<br/>&amp; fixture<br/>AED</i> | <i>Office<br/>equipment<br/>AED</i> | <i>Total<br/>AED</i> |
|---------------------------------|--|-------------------------------------|----------------------|
| <b>Cost</b>                     |  |                                     |                      |
| Additions during the period     | 77,525                                     | 20,616                              | 98,141               |
| <b>As at 31.03.2025</b>         | <b>77,525</b>                              | <b>20,616</b>                       | <b>98,141</b>        |
| <b>Accumulated depreciation</b> |  |                                     |                      |
| Charge for the period           | 11,639                                     | 4,832                               | 16,471               |
| <b>As at 31.03.2025</b>         | <b>11,639</b>                              | <b>4,832</b>                        | <b>16,471</b>        |
| <b>Net book value</b>           |  |                                     |                      |
| <b>As at 31.03.2025</b>         | <b>65,886</b>                              | <b>15,784</b>                       | <b>81,670</b>        |

*In the opinion of the management, there is no impairment in the value of the items of the fixed assets, hence carrying value of these items of fixed assets approximate its net book value.*

|   | <b>2025<br/>AED</b>  |
|---|----------------------|
| <b>7. Inventories</b>                         |                      |
| Lights and accessories                        | 2,180,567            |
| Goods in transit                              | 564,290              |
|   | <b>2,744,857</b>     |
| <b>8. Trade and other receivables</b>         |                      |
| <b>Financial assets</b>                       |                      |
| Trade receivables                             | 2,685,543            |
| Deposits                                      | 20,292               |
| Other receivables                             | 200,000              |
|   | <b>A 2,905,835</b>   |
| <b>Non-financial assets</b>                   |                      |
| Advance to suppliers                          | 27,907               |
|   | <b>B 27,907</b>      |
|   | <b>A+B 2,933,742</b> |
| <b>9. Cash and bank balances</b>              |                      |
| Cash on hand                                  | 6,410                |
| Bank balances in:                             |                      |
| Current accounts                              | 694,460              |
|   | <b>700,870</b>       |
| <b>10. Share capital</b>                      |                      |
| <b>Authorized, issued and paid-up capital</b> |                      |
| <b>Equity shares</b>                          |                      |
| 200 shares of USD 5/- each (@ AED 3.6725/USD) | 3,673                |
|   | <b>3,673</b>         |



## RITECH HOLDING LTD

Notes to the Consolidated Financial Statements  
for the period ended 31 March 2025

## 11. Short-term loan from shareholder

Represents Short-term loan from shareholder received from Ikiu Solutions Private Limited, sole shareholder of the holding company. Interest of 8.10% p.a. is payable on loan (refer note 17).

15<sup>th</sup> May 2024  
to  
31<sup>st</sup> Mar. 2025  
AED

## 12. Trade and other payables

**Financial liabilities**

|                                  |                  |
|----------------------------------|------------------|
| Trade payables (refer note 17)   | 4,663,077        |
| VAT payable                      | 19,425           |
| Other payables (refer note 17)   | 136,187          |
| Interest payable (refer note 17) | 33,190           |
| Accruals                         | 37,264           |
| <b>A</b>                         | <b>4,889,143</b> |

**Non-financial liabilities**

|                        |                  |
|------------------------|------------------|
| Advance from customers | 63,574           |
| <b>B</b>               | <b>63,574</b>    |
| <b>A+B</b>             | <b>4,952,717</b> |

## 13. Cost of goods sold

|  |                  |
|--|------------------|
| Inventories at the beginning of the period | -                |
| Purchases (refer note 17)                  | 5,719,184        |
| Inventories at the end of the period       | (2,744,857)      |
|  | <b>2,974,327</b> |

## 14. Direct expenses

Direct expenses include custom duty, transportation and other logistics expenses.

## 15. Expenses

|  |                  |
|--|------------------|
| Director's salaries and benefits (refer note 17) | 589,500          |
| Staff salaries and benefits                      | 174,275          |
| Rent   | 80,018           |
| Depreciation                                     | 16,472           |
| Other administrative expenses                    | 294,369          |
|  | <b>1,154,634</b> |

## 16. Income tax

As per clause 2 of article 3 of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, 0% (zero percent) corporate tax shall be imposed on qualifying free zone person deriving qualifying income from qualifying activities. As per Cabinet Decision No. 100 of 2023 read with Ministerial Decision No. (265) of 2023, the distribution of goods or materials in or from a designated zone and holding of shares and other securities for investment purposes are qualifying activities and corporate tax at the rate of 0% shall be applicable.

Royalux FZCO is engaged in distribution of goods and is operating from Jebel Ali Freezone which is a designated free zone for corporate tax and Ritech Holding Ltd is a holding company. Hence, the company is eligible for corporate tax at the rate of 0% for the period ended 31st March 2025.



## RITECH HOLDING LTD

Notes to the Consolidated Financial Statements  
for the period ended 31 March 2025

## 17. Related party transactions

For the purpose of these consolidated financial statement, parties are considered to be related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making party financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related party may be individuals or other entities.

**Companies under common management control**

1. Royalux Exports Private Limited, India
2. Royalux Lighting Private Limited, India
3. IKIO Solutions Private Limited, India

The nature and amount of significant related party transactions, which were carried out in the normal course of business on terms agreed between the parties during the period are as under:

|  | <i>15<sup>th</sup> May 2024<br/>to<br/>31<sup>st</sup> Mar. 2025<br/><u>AED</u></i> |
|--|---|
| Purchases  | 5,707,434   |
| Director's remuneration                          | 589,500   |
| Finance cost on short-term loan from shareholder | 33,190  |

Significant balances with related party outstanding as at the reporting date are as follows:

|  | <i><u>2025<br/>AED</u></i> |
|--|----------------------------|
| <b><i>Directors', key management personnel and their related parties</i></b> |                            |
| <b>Short-term loan from shareholder</b>                                      |                            |
| Ikio Solutions Private Limited   | 1,070,000                  |
| <b>Trade payables</b>  |                            |
| Royalux Exports Private Limited  | 4,371,737                  |
| Royalux Lighting Private Limited   | 1,924                      |
| <b>Other payables</b>  |                            |
| Interest payable   | 33,190                     |
| Payable to Mr. Jaspreet Singh Pal  | 122,443                    |

## 18. Financial instrument risks

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

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



## RITECH HOLDING LTD

Notes to the Consolidated Financial Statements  
for the period ended 31 March 2025

## Financial instrument risks (contd.)

## a) Credit risk

Financial assets, which potentially expose the Group to concentrations of credit risk comprise principally of accounts and other receivables and bank balances.

## Credit risk management

Maximum exposure to credit risk – Financial instruments subject to impairment The following table contains an analysis of the credit risk exposure of financial assets which are subject to ECL. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets:

Credit risk exposures relating to  
on balance sheet assets are as  
follows:

|   | ECL<br>staging 1 | ECL<br>staging 2 | ECL<br>staging 3 | Total            |
|---|------------------|------------------|------------------|------------------|
| Trade and other receivables<br>(financial assets) | 2,905,835        | -                | -                | 2,905,835        |
| Cash and bank balances                            | 700,870          | -                | -                | 700,870          |
| Loss allowance                                    | -                | -                | -                | -                |
| <b>Carrying amount</b>                            | <b>3,606,705</b> | <b>-</b>         | <b>-</b>         | <b>3,606,705</b> |

*Trade receivables*

As at the reporting date, the company's significant exposure to credit risk from trade receivables from five customers situated within U.A.E. amounts to AED 1,792,086/-.

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

*Bank balances*

The Group'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 interest rate risk, exchange rate risk or other price risk, which will affect the Group's income or the value of its holding of financial instruments.

Financial instruments affected by market risk include financial assets in the form of loans and receivables only. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

## Interest rate risk

Interest risk is minimum as there are no bank borrowings or bank deposits. Interest on short-term loan from shareholder is at a fixed rate of interest of 8.10% p.a.

## Exchange rate risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirham or U.S. Dollars to which U.A.E. Dirham is fixed.



## RITECH HOLDING LTD

**Notes to the Consolidated Financial Statements  
for the period ended 31 March 2025****c) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Group's reputation.

**19. Financial instruments: Fair value**

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

**20. Contingent liabilities**

There are no significant amount of contingent liabilities outstanding as at the reporting date.

**21. Comparative figures**

Previous year's figures have not been stated as this is the first financial period end of the company.

