

**LMW GLOBAL FZE**

**(formerly known as LMW Middle East FZE)**

**RA08EC06, Jebel Ali Free Zone,**

**Dubai, United Arab Emirates**

**For the year ended 31 March 2024**

<p><b>FINANCIAL STATEMENTS &amp; INDEPENDENT AUDITOR'S REPORT</b> <b>FOR THE YEAR ENDED 31 MARCH 2024</b></p>
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**LMW GLOBAL FZE****(formerly known as LMW Middle East FZE)****RA08EC06, Jebel Ali Free Zone, Dubai, United Arab Emirates**

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## **LMW GLOBAL FZE**

**(formerly known as LMW Middle East FZE)**

**RA08EC06, Jebel Ali Free Zone, Dubai, United Arab Emirates**

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### **GENERAL INFORMATION**

**Shareholder** : Lakshmi Machine Works Limited, India

**Manager** : Vijayasekar Srinivasan

**TRN** : 100454908300003

**Industrial License No** : 11425495

**Trading License No** : 11425492

#### **Principal activities of the Company:**

The company is licensed to do the following activities:

1. Industrial Plant Equipment & Spare Parts Trading.
2. Specialized Industrial Machinery & Equipment Manufacturing.

**Business Address** : RA08EC06, Jebel Ali Free Zone  
Dubai, United Arab Emirates.

**Banks** : Emirates NBD Bank  
HSBC Bank

**Auditor** : Coast Accounting & Auditing  
P.O. Box 45341  
Dubai, United Arab Emirates

## **LMW GLOBAL FZE**

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**RA08EC06, Jebel Ali Free Zone, Dubai, United Arab Emirates**

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### **MANAGER'S REPORT**

The Manager has pleasure in presenting his report and the audited financial statements for the year ended 31 March 2024.

#### **Principal activities of the Company:**

The company is licensed to do the following activities:

1. Industrial Plant Equipment & Spare Parts Trading.
2. Specialized Industrial Machinery & Equipment Manufacturing.

#### **Financial review:**

The table below summarizes the financial results:

	(figures in U.A.E Dirhams)	
	<b><u>31.03.2024</u></b>	<b><u>31.03.2023</u></b>
Revenue	110,946,881	57,511,292
Gross profit	21,963,339	8,548,113
Gross profit %	19.80%	14.86%
Net profit	6,639,320	3,783,011
Net profit %	5.98%	6.58%

#### **Role of the Manager:**

The Manager is the Company's principal decision-maker. The Manager has the overall responsibility for leading and supervising the Company, for delivering sustainable shareholder value through his guidance and supervision of the Company's business. The Manager sets the strategies and policies of the Company. He monitors performance of the Company's business, guides and supervises the management.

#### **Events after year end:**

In the opinion of the Manager, no transaction or event of a material and unusual nature, favorable or unfavorable, has arisen in the interval between the end of the financial year and the date of this report that is likely to affect, substantially, the result of the operations or the financial position of the Company.



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**Auditor:**

M/s Coast Accounting & Auditing, Chartered Accountants, have showed their willingness to continue and are appointed to carry out independent audit for the year ending 31 March 2025.

**Statement of Manager's responsibilities:**

The applicable requirements require the Manager's to prepare the financial statements for each financial year, which presents fairly, in all material respects, the financial position of the Company, and its financial performance for the year then ended.

The audited financial statements for the year 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 Company 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 year under review and reasonably present the Company's financial conditions and results of its operations. These financial statements were approved by the Board and signed on behalf by the authorized representative of the Company.

**For LMW GLOBAL FZE**



**Authorized signatory**

**INDEPENDENT AUDITOR'S REPORT**

To,  
The Shareholder  
**LMW GLOBAL FZE**  
(formerly known as LMW Middle East FZE)  
RA08EC06, Jebel Ali Free Zone, Dubai, United Arab Emirates

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

**Opinion**

We have audited the accompanying financial statements of LMW GLOBAL FZE, (formerly known as LMW Middle East FZE), Jebel Ali Freezone, Dubai, United Arab Emirates ("Company") which comprise the statement of financial position as at 31 March 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year ended 31 March 2024, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the requirements of Code of Ethics for Professional Accountants, issued by International Ethics Standards Board for Accountants (IESBA) together with ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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



(cont...)



**LMW GLOBAL FZE - 31 March 2024****Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 exist related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with management 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.



**LMW GLOBAL FZE - 31 March 2024**

**Report on other legal and regulatory requirements**

We further confirm that,

1. Compliance with the Rules & Regulation of the Jebel Ali Free Zone Authority, Dubai UAE.
- 2 We have obtained all the information and explanations which we considered necessary for our audit,
- 3 The financial statements have been prepared and comply in all material respects with the applicable provisions of the relevant U.A.E. laws, and the Memorandum and Articles of Association of the Company,
- 4 The contents of the Manager's report which relates to the financial statements are in agreement with the Company's books of account,
5. The capital adequacy is maintained during the year ended 31 March 2024.

**COAST ACCOUNTING & AUDITING**  
**Chartered Accountants**

*R. I. Bhatia*



R.I. Bhatia

Reg. No.174, United Arab Emirates  
Ministry of Economy (Audit Division)

Date: 11 June 2024



**LMW GLOBAL FZE****(formerly known as LMW Middle East FZE)****RA08EC06, Jebel Ali Free Zone, Dubai, United Arab Emirates****Statement of financial position as at 31 March 2024**

		(figures in U.A.E Dirhams)	
	Notes	31.03.2024	31.03.2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipments	7	3,026,629	2,669,589
Deposits	8	182,567	132,565
Investments	9	3,672,500	-
<b>Total non-current assets</b>		<b>6,881,696</b>	<b>2,802,154</b>
<b>Current Assets</b>			
Trade and other receivables	10	16,428,476	13,963,593
Other current assets	11	248,535	225,798
Inventories	12	1,550,400	7,165,377
Cash and cash equivalents	13	12,015,833	8,515,150
<b>Total current assets</b>		<b>30,243,244</b>	<b>29,869,918</b>
<b>Total assets</b>		<b>37,124,940</b>	<b>32,672,072</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	14	2,470,500	2,470,500
Accumulated profits	15	10,254,623	3,615,303
<b>Total equity</b>		<b>12,725,123</b>	<b>6,085,803</b>
<b>Current liabilities</b>			
Trade and other payables	16	18,788,172	25,913,111
Other current liabilities	17	5,611,645	673,158
<b>Total current liabilities</b>		<b>24,399,817</b>	<b>26,586,269</b>
<b>Total liabilities</b>		<b>24,399,817</b>	<b>26,586,269</b>
<b>Total equity and liabilities</b>		<b>37,124,940</b>	<b>32,672,072</b>

The attached notes form an integral part of these accounts.

Auditors report is annexed hereto.

We approve these financial statements and confirm that we are responsible for them, including selecting the accounting policies and making the judgment underlying them. We also confirm that we have made available all relevant accounting records and information for their compilation.

For LMW GLOBAL FZE

Authorized Signatory



## LMW GLOBAL FZE

(formerly known as LMW Middle East FZE)

RA08EC06, Jebel Ali Free Zone, Dubai, United Arab Emirates

Statement of profit or loss and other comprehensive income for year ended 31 March 2024

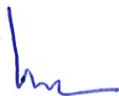
(figures in U.A.E Dirhams)			
	Notes	31.03.2024	31.03.2023
Revenue	18	110,946,881	57,511,292
Cost of goods sold	19	(88,983,542)	(48,963,179)
Gross profit		<u>21,963,339</u>	<u>8,548,113</u>
General and administrative expenses	20	(14,984,555)	(4,603,347)
Depreciation and amortization	7	(339,464)	(161,755)
Net profit for the year		<u>6,639,320</u>	<u>3,783,011</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>6,639,320</u>	<u>3,783,011</u>

The attached notes form an integral part of these accounts.

Auditor's Report is attached hereto.

We approve these financial statements and confirm that we are responsible for them, including selecting the accounting policies and making the judgment underlying them. We also confirm that we have made available all relevant accounting records and information for their compilation.

For LMW GLOBAL FZE



Authorized Signatory





**LMW GLOBAL FZE****(formerly known as LMW Middle East FZE)****RA08EC06, Jebel Ali Free Zone, Dubai, United Arab Emirates****Statement of cash flows for the year ended 31 March 2024**

		(figures in U.A.E Dirhams)	
	Notes	31.03.2024	31.03.2023
<b><u>Cash Flows from operating activities</u></b>			
Net profit for the year		6,639,320	3,783,011
Depreciation and amortization	7	339,464	161,755
		<u>6,978,784</u>	<u>3,944,766</u>
<b>Operating cash flow from before changes in working capital</b>			
<b><u>Changes in working capital</u></b>			
Trade and other receivables	10	(2,464,883)	(13,916,963)
Other current assets	11	(22,737)	400,452
Inventories	12	5,614,977	(7,165,377)
Trade and other payables	16	(7,124,939)	25,876,753
Other current liabilities	17	4,938,487	671,158
<b>Net cash from operating activities</b>		<u><b>7,919,690</b></u>	<u><b>9,810,789</b></u>
<b><u>Cash Flow from investing activities</u></b>			
Purchase of property, plant & equipment	7	(696,504)	(2,558,303)
Deposits made	8	(50,002)	(55,255)
Investments made	9	(3,672,500)	-
<b>Net cash (used in) investing activities</b>		<u><b>(4,419,006)</b></u>	<u><b>(2,613,558)</b></u>
<b><u>Cash Flows from financing activities</u></b>			
<b>Net cash from financing activities</b>		<u><b>-</b></u>	<u><b>-</b></u>
<b><u>Net increase in cash and cash equivalents</u></b>			
Cash and cash equivalents at the beginning of the year		8,515,150	1,317,919
Cash and cash equivalents at the end of the year		<u><b>12,015,833</b></u>	<u><b>8,515,150</b></u>
<b>Represented by:</b>			
Bank balance	13	12,012,119	8,514,550
Cash in hand		3,714	600
		<u><b>12,015,833</b></u>	<u><b>8,515,150</b></u>



## LMW GLOBAL FZE

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RA08EC06, Jebel Ali Free Zone, Dubai, United Arab Emirates

### Statement of changes in equity for the year ended 31 March 2024

(figures in U.A.E Dirhams)

	<u>Share Capital</u>	<u>Accumulated Losses</u>	<u>Total</u>
Balance at 31 March 2022	2,470,500	(167,708)	2,302,792
a. Net profit for the year	-	3,783,011	3,783,011
Balance at 31 March 2023	2,470,500	3,615,303	6,085,803
a. Net profit for the year	-	6,639,320	6,639,320
Balance at 31 March 2024	2,470,500	10,254,623	12,725,123



## **LMW GLOBAL FZE**

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**RA08EC06, Jebel Ali Free Zone, Dubai, United Arab Emirates**

**Notes to the financial statements for the year ended 31 March 2024**

### **1 LEGAL STATUS :**

M/s LMW GLOBAL FZE is incorporated on 04 February 2022 and operate as a free zone company under industrial license no. 11425495 trading license no. 11425492 issued by the registration department of Jebel Ali Free Zone Authority, Dubai, U.A.E.

The registered address of the company is RA08EC06, Jebel Ali Free Zone, Dubai, U.A.E.

The company is managed by Vijayasekar Srinivasan, an Indian national.

The name of the company was changed from LMW Middle East FZE to LMW GLOBAL FZE with effect from 31 August 2023.

### **2 BUSINESS ACTIVITIES :**

The company is licensed to do the following activities:

1. Industrial Plant Equipment & Spare Parts Trading.
2. Specialized Industrial Machinery & Equipment Manufacturing.

### **3 BASIS OF PREPARATION :**

- (a) The financial statements have been prepared under accrual basis of accounting and on the basis that the entity will continue as a going concern in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and applicable requirements of the Free Zone.
- (b) The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as promulgated by the International Accounting Standard Board ("IASB"), interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") and requirements of the rules and regulations of Jebel Ali Free Zone Authority UAE.

### **4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS :**

- (a) The preparation of these financial statements require management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and Companying disclosure at the reporting date
- (b) Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.





## LMW GLOBAL FZE

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RA08EC06, Jebel Ali Free Zone, Dubai, United Arab Emirates

Notes to the financial statements for the year ended 31 March 2024

Significant accounting policies. (Cont. page 11)

### 5 ADOPTION OF NEW AND REVISED STANDARDS (IFRSs) :

The company has adopted and complied with the IFRS for SME's since the time it was first published. Any amendments or improvements are adopted by the company with effective dates. These financial statements are prepared as per IFRS effective as on 31 March 2024, except some IFRS not relevant to the company or not applicable as on the date of the financial statements have been excluded.

#### (i) Standards, amendments and interpretations effective and adopted in the year 2023:

The following new standards, amendments and interpretations to existing standards or interpretations to published standards are mandatory for the first time for the financial year beginning on or after 01 January 2023 and have been adopted in the preparation of the Financial Statements, if required.

#### **Amendments to IAS 1 -Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies**

The company has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies with material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.



## **LMW GLOBAL FZE**

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**RA08EC06, Jebel Ali Free Zone, Dubai, United Arab Emirates**

**Notes to the financial statements for the year ended 31 March 2024**

**Significant accounting policies. (Cont. page 12)**

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

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

The adaption of these new Standards, Improvements, Interpretations and Amendments did not have any material impact on the Company for the year ended 31 March 2024.

### **Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

The company has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

### **Amendments to IAS 12 Income Taxes—International Tax Reform—Pillar Two Model Rules**

The company has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum topup taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the company is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.





## LMW GLOBAL FZE

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RA08EC06, Jebel Ali Free Zone, Dubai, United Arab Emirates

Notes to the financial statements for the year ended 31 March 2024

Significant accounting policies. (Cont. page 13)

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

The Company has adopted IFRS 17 and the related amendments for the first time in the current year. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

The Company does not have any contracts that meet the definition of an insurance contract under IFRS 17.

The adaption of these new Standards, Improvements, Interpretations and Amendments did not have any material impact on the Company for the year ended 31 March 2024.

### (ii) New Standards, Improvements, Interpretations and Amendments issued but not yet effective

The following new accounting Standards, Improvements, Interpretations and Amendments have been issued, but are not mandatory and hence have not been early adopted by the Company in preparing the financial statements for the year ended 31 March 2024.

Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to IAS 1 - Non-current Liabilities with Covenants

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

Management anticipates that all of the above standards, improvements, interpretations and amendments will be adopted by the Company to the extent applicable from their effective dates. The adoption of these Standards, Improvements, Interpretations and Amendments is not expected to have a material impact on the financial statements of the Company in the year of their initial application.

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## LMW GLOBAL FZE

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Notes to the financial statements for the year ended 31 March 2024

Significant accounting policies. (Cont. page 14)

### 6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :

#### (a) **Current and non-current classification:**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

#### (b) **Revenue recognition:**

The Company recognizes revenue from contracts with customers based on five step model as set out in IFRS 15:

**Step 1** - Identify the contracts with a customer : A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

**Step 2** - Identify the performance obligations in the contract : A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

**Step 3** - Determine the transaction price : The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

**Step 4** - Allocate the transaction price to the performance obligation in the contract : For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

**Step 5** - Recognize revenue when (or as) the Company satisfies a performance obligation. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

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## LMW GLOBAL FZE

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RA08EC06, Jebel Ali Free Zone, Dubai, United Arab Emirates

Notes to the financial statements for the year ended 31 March 2024

Significant accounting policies. (Cont. page 15)

**(c) Property, plant and equipment**

Property, plant and equipments are stated at cost less accumulated depreciation and any impairment in value. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The cost of property, plant and equipment is depreciated using the written down value method over their estimated useful economic lives as follows:

<u>Particulars</u>	<u>Life of assets (In years)</u>
Vehicle	8
Building	30
Plant and Machinery	15
Office Equipments	5
Furniture and Fixtures	10
Computers	3

**(d) Inventories**

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable. Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**(e) Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**(f) Trade and other payables**

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted.

(Cont...)





## LMW GLOBAL FZE

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RA08EC06, Jebel Ali Free Zone, Dubai, United Arab Emirates

Notes to the financial statements for the year ended 31 March 2024

Significant accounting policies. (Cont. page 16)

(g) **Foreign currency translation:**

Transactions denominated in foreign currencies are initially translated to U.A.E Dirhams at bank exchange rate on date of transaction. Assets and liabilities denominated in foreign currencies are re-translated to the functional currency at rate of exchange ruling on the balance sheet date. Any difference arising on such conversion is recognized in the Income statement as exchange gain/loss.

(h) **Cash and cash equivalents:**

Cash and cash equivalents for the purpose of cash flow statement is bank balance only.

(i) **Reporting currency and rounding up:**

Both the functional and reporting currency are U.A.E. Dirham. The figures are rounded up to dirhams ignoring fils.

		(figures in U.A.E Dirhams)	
		<u>31.03.2024</u>	<u>31.03.2023</u>
<b>7</b>	<b><u>PROPERTY, PLANT AND EQUIPMENTS</u></b>	3,026,629	2,669,589
	(See schedule on Page no. 23)	<u>3,026,629</u>	<u>2,669,589</u>
<b>8</b>	<b><u>DEPOSITS</u></b>		
	Deposits	182,567	132,565
		<u>182,567</u>	<u>132,565</u>
<b>9</b>	<b><u>INVESTMENTS</u></b>		
	Investments	3,672,500	-
		<u>3,672,500</u>	<u>-</u>
<b>10</b>	<b><u>TRADE AND OTHER RECEIVABLES</u></b>		
	Trade receivables	16,083,892	13,757,476
	Other receivables	139,222	100,222
	Advance to suppliers	205,362	105,895
		<u>16,428,476</u>	<u>13,963,593</u>



## LMW GLOBAL FZE

(formerly known as LMW Middle East FZE)

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Notes to the financial statements for the year ended 31 March 2024

Significant accounting policies. (Cont. page 17)

(figures in U.A.E Dirhams)

	31.03.2024	31.03.2023
<b>11 OTHER CURRENT ASSETS</b>		
JAFZA portal balance	3,064	-
DCC portal balance	1,180	-
Prepayments	244,291	225,798
	<u>248,535</u>	<u>225,798</u>

<b>12 INVENTORIES</b>		
Inventory- Components	1,032,365	203,107
Inventory- Consumables	763	4,325
Inventory- Tools	20,954	230,099
Inventory - WIP	-	624,351
Inventory in Transit	496,318	6,103,495
	<u>1,550,400</u>	<u>7,165,377</u>

(Management has physically verified and confirmed the Inventory on 31 March, 2024)

<b>13 CASH AND CASH EQUIVALENTS</b>		
Cash in hand	3,714	600
Bank Balance	12,012,119	8,514,550
	<u>12,015,833</u>	<u>8,515,150</u>

(Note: As per bank statements)

### Reconciliation to cash and cash equivalents at the end of the financial year

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	12,015,833	8,515,150
Balance as per statement of cash flows	<u>12,015,833</u>	<u>8,515,150</u>

### 14 SHARE CAPITAL

Authorized, issued and paid up capital of the Company is AED 2,470,500 divided into 24,705 shares of AED 100 each. The name of the shareholder and its contribution in the capital is as follows:

S.No.	Name of the Shareholder	Nationality	No. of share	Share capital
1	Lakshmi Machine Works Limited	India	24,705	2,470,500
			<u>24,705</u>	<u>2,470,500</u>



**LMW GLOBAL FZE****(formerly known as LMW Middle East FZE)****RA08EC06, Jebel Ali Free Zone, Dubai, United Arab Emirates****Notes to the financial statements for the year ended 31 March 2024****Significant accounting policies. (Cont. page 18)**

		(figures in U.A.E Dirhams)	
		<u>31.03.2024</u>	<u>31.03.2023</u>
<b>15</b>	<b><u>ACCUMULATED PROFITS</u></b>		
	Opening balance	3,615,303	(167,708)
	Net profit for the year	6,639,320	3,783,011
	Closing balance	<u>10,254,623</u>	<u>3,615,303</u>
<b>16</b>	<b><u>TRADE AND OTHER PAYABLES</u></b>		
	Trade Payables	17,779,733	17,349,695
	Other payables	1,008,439	8,563,416
		<u>18,788,172</u>	<u>25,913,111</u>
<b>17</b>	<b><u>OTHER CURRENT LIABILITIES</u></b>		
	Accrued expenses	5,611,645	673,158
		<u>5,611,645</u>	<u>673,158</u>
<b>18</b>	<b><u>REVENUE</u></b>		
	Revenue from Operations	110,802,955	57,464,904
	Other Income	143,926	46,388
		<u>110,946,881</u>	<u>57,511,292</u>
<b>19</b>	<b><u>COST OF GOODS SOLD</u></b>		
	Cost of goods sold	88,983,542	48,963,179
		<u>88,983,542</u>	<u>48,963,179</u>
<b>20</b>	<b><u>GENERAL AND ADMINISTRATIVE EXPENSES</u></b>		
	Employee Benefit Expenses	2,591,637	1,420,612
	Legal, visa and professional charges	184,771	871,183
	Business Promotion Expenses	6,198,422	733,476
	Customs and clearing charges	2,387,068	293,804
	Foreign exchange loss	5,652	-
	Postage expenses	55,949	11,394
	Rent expenses	1,090,941	808,934
	Insurance expenses	65,122	59,102
	Training and development expenses	56,111	9,471
	Miscellaneous expenses	2,348,882	395,371
		<u>14,984,555</u>	<u>4,603,347</u>

(Cont...)





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Notes to the financial statements for the year ended 31 March 2024

Significant accounting policies. (Cont. page 19)

### **21 FINANCIAL INSTRUMENTS**

Financial instruments comprise financial assets and financial liabilities. Financial assets and financial liabilities are recognized on company's balance sheet when it has become a party to the contractual provisions of the instrument. A financial asset is any asset that is cash, contractual right to receive cash or other financial asset, a contractual right to exchange financial instruments under conditions that are potentially favorable or any equity instrument. A financial liability is any liability that is contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavorable. The fair value of Financial Assets and financial liabilities equals their carrying values.

### **22 RELATED PARTY TRANSACTION**

The company enters into transactions with other companies and entities that fall within the definition of a related party as per IAS 24, International Financial Reporting Standards (IFRS). The related parties are companies and management with common interests. The transactions are in the normal course of business normally available when the company deals with third parties.

### **23 RISK MANAGEMENT**

#### **Credit Risk**

The Company's exposure to credit risk is concentrated on deposits, trade receivables and bank balance.

The company bank account are with local banks operating in the U.A.E. Deposits with government departments are refundable and secured.

#### **Interest risk**

Since Company has not borrowed any money from the bank or any third parties, as certified by the management, therefore, no interest risk.

#### **Exchange Risk**

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

#### **Fair values**

At the balance sheet date, the fair values of Financial Assets and liabilities at year end approximate to their carrying amounts and have been very carefully scrutinized by the management for their correctness.





## **LMW GLOBAL FZE**

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**Notes to the financial statements for the year ended 31 March 2024**

**Significant accounting policies. (Cont. page 20)**

### **24 EMPLOYEES TERMINAL BENEFITS**

The company provides end of service benefits to its employees according to U.A.E. labour law. However, the company pays the entitlements as and when the employee service is terminated and accounted on cash basis.

### **25 CONTINGENT LIABILITY**

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events, not wholly within the control of the Company; or when the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

At present, the company has a bank guarantee of AED 713,515.34 which will expire on 31 March, 2024.

### **26 U.A.E. CORPORATE TAX LAW**

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No .47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal Corporate Tax (CT) regimen the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No.116/2022 effective from January 2023, has confirmed the threshold of income over which the 9% tax rate would apply, and the Law is considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000. A rate of 0% will apply to taxable income not exceeding AED 375,000.

For the Company, current taxes shall be accounted for as appropriate in the financial statements for the period beginning January 01, 2024. In accordance with IAS 12 Income Taxes, the related deferred tax accounting impact has been considered for the financial year ended 31 March, 2024.

Since the corporate tax was introduced only recently, this may create tax risks in UAE that are more significant than in other countries. The Company has assessed the deferred tax implications for the year ended 31 March, 2024 and, after considering its interpretations of applicable tax law, official pronouncements, cabinet decisions and ministerial decisions (especially with regard to transition rules), it has been concluded that it is not expected to be material.



## **LMW GLOBAL FZE**

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Notes to the financial statements for the year ended 31 March 2024

Significant accounting policies. (Cont. page 21)

### **27 COMPARATIVE FIGURES**

The fiscal period covers the period of 12 months from 01 April 2023 to 31 March 2024.  
Previous year figures are reclassified and regrouped to conform to current year presentation.

### **28 APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved and signed by the shareholder on 11 June 2024.

For LMW GLOBAL FZE



Authorized Signatory





## LMW GLOBAL FZE

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RA08EC06, Jebel Ali Free Zone, Dubai, United Arab Emirates

Notes to the financial statements for the year ended 31 March 2024

(figures in U.A.E Dirhams)

### 7 Property, Plant and Equipment

#### Cost :

Balance at 31 March 2022	273,041	-	-	-	-	-	273,041
Additions during the year	723,700	685,717	838,422	87,905	42,028	52,451	2,558,303
Transfer from CWIP to Building	(273,041)	273,041	-	-	-	-	-
Balance at 31 March 2023	723,700	958,758	838,422	87,905	42,028	52,451	2,831,344
Additions during the year	-	171,260	283,350	10,283	151,336	-	748,955
Transfer from CWIP to Building	(723,700)	723,700	-	-	-	-	-
Transfer to Expenses	-	-	-	-	-	(52,451)	(52,451)
Balance at 31 March 2024	-	1,853,718	1,121,772	98,188	193,364	-	3,527,848

#### Accumulated Depreciation :

Balance at 31 March 2022	-	-	-	-	-	-	-
Charged for the year	-	78,429	47,825	14,148	2,988	-	161,755
Balance at 31 March 2023	-	78,429	47,825	14,148	2,988	-	161,755
Charged for the year	-	143,215	88,462	14,148	45,519	-	339,464
Balance at 31 March 2024	-	221,644	136,287	28,296	48,507	-	501,219

#### Net Book Value

Balance at 31 March 2023	723,700	880,329	790,597	73,757	39,040	52,451	2,669,589
Balance at 31 March 2024	-	1,632,074	985,485	69,892	144,857	-	3,026,629



