

**LMW GLOBAL FZE**  
**Jebel Ali Free Zone,**  
**Dubai, United Arab Emirates**  
**For the year ended 31 March 2025**

|   |
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| <p><b>FINANCIAL STATEMENTS &amp; INDEPENDENT AUDITOR'S REPORT</b><br/><b>FOR THE YEAR ENDED 31 MARCH 2025</b></p> |
|---|

# LMW GLOBAL FZE

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

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## **LMW GLOBAL FZE**

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

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### **GENERAL INFORMATION**

**Shareholder** : LMW Holding Limited

**Manager** : Vignesh Ramalingam

**VAT 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

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 2025.

#### 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) |                   |
|---------------------------|----------------------------|-------------------|
|                           | <u>31.03.2025</u>          | <u>31.03.2024</u> |
| Revenue                   | 64,056,345                 | 110,946,881       |
| Gross profit for the year | 16,331,735                 | 21,963,339        |
| Gross profit %            | 25.50%                     | 19.80%            |
| Net profit for the year   | 752,016                    | 6,639,320         |
| Net profit %              | 1.17%                      | 5.98%             |

#### 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.

## LMW GLOBAL FZE

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

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### Auditor:

M/s Coast Accounting & Auditing, Chartered Accountants, have showed their willingness to continue and to carry out independent audit for the year ending 31 March 2026.

### 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**  
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 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended 31 March 2025, 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 2025 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 mis statement, whether due to fraud or error.



(cont...)

**LMW GLOBAL FZE - 31 March 2025****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.



(cont...)



**LMW GLOBAL FZE - 31 March 2025**

**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,

**COAST ACCOUNTING & AUDITING**

Chartered Accountants

*R.I. Bhatia*



R.I. Bhatia

Reg. No.174, United Arab Emirates

Ministry of Economy (Audit Division)

Date: 30 May 2025



**LMW GLOBAL FZE**

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

**Statement of financial position as at 31 March 2025**

(figures in U.A.E Dirhams)

|                                     | <u>Notes</u> | <u>31.03.2025</u>        | <u>31.03.2024</u>        |
|-------------------------------------|--------------|--------------------------|--------------------------|
| <b>Assets</b>                       |              |                          |                          |
| <b><i>Non-current assets</i></b>    |              |                          |                          |
| Property, plant and equipments      | 7            | 3,553,674                | 3,026,629                |
| Deposits                            | 8            | 321,088                  | 182,567                  |
| Investments                         | 9            | 3,672,500                | 3,672,500                |
| <b>Total non-current assets</b>     |              | <b><u>7,547,262</u></b>  | <b><u>6,881,696</u></b>  |
| <b><i>Current Assets</i></b>        |              |                          |                          |
| Trade and other receivables         | 10           | 21,836,081               | 16,428,476               |
| Other current assets                | 11           | 589,484                  | 248,535                  |
| Inventories                         | 12           | 824,116                  | 1,550,400                |
| Cash and cash equivalents           | 13           | 16,754,455               | 12,015,833               |
| <b>Total current assets</b>         |              | <b><u>40,004,136</u></b> | <b><u>30,243,244</u></b> |
| <b>Total assets</b>                 |              | <b><u>47,551,398</u></b> | <b><u>37,124,940</u></b> |
| <b>Equity and liabilities</b>       |              |                          |                          |
| <b><i>Equity</i></b>                |              |                          |                          |
| Share capital                       | 14           | 2,470,500                | 2,470,500                |
| Retained earnings                   | 15           | 11,006,639               | 10,254,623               |
| <b>Total equity</b>                 |              | <b><u>13,477,139</u></b> | <b><u>12,725,123</u></b> |
| <b><i>Current liabilities</i></b>   |              |                          |                          |
| Trade and other payables            | 16           | 25,282,131               | 18,788,172               |
| Other current liabilities           | 17           | 8,792,128                | 5,611,645                |
| <b>Total current liabilities</b>    |              | <b><u>34,074,259</u></b> | <b><u>24,399,817</u></b> |
| <b>Total liabilities</b>            |              | <b><u>34,074,259</u></b> | <b><u>24,399,817</u></b> |
| <b>Total equity and liabilities</b> |              | <b><u>47,551,398</u></b> | <b><u>37,124,940</u></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

R. Jmayer



## LMW GLOBAL FZE

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

### Statement of profit or loss and other comprehensive income for year ended 31 March 2025

| (figures in U.A.E Dirhams)                        |       |                   |                   |
|---|-------|-------------------|-------------------|
|   | Notes | 31.03.2025        | 31.03.2024        |
| Revenue   | 18    | 64,056,345        | 110,946,881       |
| Cost of goods sold                                | 19    | (47,724,610)      | (88,983,542)      |
| Gross profit                                      |       | <u>16,331,735</u> | <u>21,963,339</u> |
| General and administrative expenses               | 20    | (14,953,996)      | (14,984,555)      |
| Depreciation and amortization                     | 7     | (556,121)         | (339,464)         |
| Net profit for the year before tax                |       | <u>821,617</u>    | <u>6,639,320</u>  |
| Current tax                                       | 26    | (69,602)          | -                 |
| Net profit for the year after tax                 |       | <u>752,016</u>    | <u>6,639,320</u>  |
| Other comprehensive income                        |       | -                 | -                 |
| Total comprehensive income for the year after tax |       | <u>752,016</u>    | <u>6,639,320</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**

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

**Statement of cash flows for the year ended 31 March 2025**

|  |       | (figures in U.A.E Dirhams) |                    |
|--|-------|----------------------------|--------------------|
|  | Notes | 31.03.2025                 | 31.03.2024         |
| <b>Cash Flows from operating activities</b>                |       |                            |                    |
| Net profit for the year                                    |       | 752,016                    | 6,639,320          |
| Depreciation and amortization                              | 7     | -                          | 339,464            |
| Operating cash flow from before changes in working capital |       | <u>752,016</u>             | <u>6,978,784</u>   |
| <b>Changes in working capital</b>                          |       |                            |                    |
| Trade and other receivables                                | 10    | (5,407,605)                | (2,464,883)        |
| Other current assets                                       | 11    | (340,949)                  | (22,737)           |
| Inventories  | 12    | 726,284                    | 5,614,977          |
| Trade and other payables                                   | 16    | 6,493,959                  | (7,124,939)        |
| Other current liabilities                                  | 17    | 3,180,483                  | 4,938,487          |
| Net cash from operating activities                         |       | <u>5,404,188</u>           | <u>7,919,690</u>   |
| <b>Cash Flow from investing activities</b>                 |       |                            |                    |
| Purchase of property, plant & equipments                   | 7     | (527,045)                  | (696,504)          |
| Deposits made  | 8     | (138,521)                  | (50,002)           |
| Investments made   | 9     | -                          | (3,672,500)        |
| Net cash (used in) investing activities                    |       | <u>(665,566)</u>           | <u>(4,419,006)</u> |
| <b>Cash Flows from financing activities</b>                |       |                            |                    |
| Net cash from financing activities                         |       | <u>-</u>                   | <u>-</u>           |
| <b>Net increase in cash and cash equivalents</b>           |       |                            |                    |
| Cash and cash equivalents at the beginning of the year     |       | 4,738,621                  | 3,500,684          |
| Cash and cash equivalents at the end of the year           |       | <u>12,015,833</u>          | <u>8,515,150</u>   |
|  |       | <u>16,754,455</u>          | <u>12,015,833</u>  |
| <b>Represented by:</b>                                     |       |                            |                    |
| Bank balance   | 13    | 16,658,728                 | 12,012,119         |
| Cash in hand   | 13    | 95,727                     | 3,714              |
|  |       | <u>16,754,455</u>          | <u>12,015,833</u>  |

For LMW GLOBAL FZE

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Authorized Signatory



## LMW GLOBAL FZE

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

### Statement of changes in equity for the year ended 31 March 2025

(figures in U.A.E Dirhams)

|                            | <u>Share<br/>Capital</u> | <u>Retained<br/>Earnings</u> | <u>Total</u>      |
|----------------------------|--------------------------|------------------------------|-------------------|
| Balance at 31 March 2023   | <u>2,470,500</u>         | <u>3,615,303</u>             | <u>6,085,803</u>  |
| a. Net profit for the year | <u>-</u>                 | <u>6,639,320</u>             | <u>6,639,320</u>  |
| Balance at 31 March 2024   | <u>2,470,500</u>         | <u>10,254,623</u>            | <u>12,725,123</u> |
| a. Net profit for the year | <u>-</u>                 | <u>752,016</u>               | <u>752,016</u>    |
| Balance at 31 March 2025   | <u>2,470,500</u>         | <u>11,006,639</u>            | <u>13,477,139</u> |

For LMW GLOBAL FZE

Authorized Signatory





## LMW GLOBAL FZE

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

Notes to the financial statements for the year ended 31 March 2025

### 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 Vignesh Ramalingam, an Indian national, having passport no.V6768608

### 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.



(cont..)

## LMW GLOBAL FZE

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

Notes to the financial statements for the year ended 31 March 2025

Significant accounting policies. (Cont. page 11)

### 5 Application of new and revised International Financial Reporting Standards (IFRS)

A number of new standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted, however, the Company has not early adopted the new or amended standards in preparing these Financial statements. The following new or amended standards that are adopted in annual periods beginning on 1 January 2024:

#### (i) New standards, interpretations and amendments adopted by the Company Effective date

##### • Amendment to IFRS 16 – Leases on sale and leaseback

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

##### • Amendment to IAS 1 – Non-current liabilities with covenants

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

##### • Amendment to IAS 7 and IFRS 7 - Supplier finance

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

#### (ii) Standards, amendments and interpretations in issue but not effective

The following amended standards and interpretations are not expected to have a significant impact on the Company Financial Statements:

| Forthcoming requirements  | Effective date                       |
|---|--------------------------------------|
| IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures | 1 January 2024                       |
| Sale or Contribution of Assets between an Investor its Associates or Joint Venture (Amendments to IFRS 10 and IAS 28)               | Effective date deferred indefinitely |
| Lack of Exchangeability – Amendments to IAS 21  | 1 January 2025                       |
| Presentation and Disclosure in Financial Statements issued (IFRS 18)  | 1 January 2027                       |



(cont..)



## LMW GLOBAL FZE

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

Notes to the financial statements for the year ended 31 March 2025

### Adoption of new IFRS: (cont.. page 12)

\*\*IFRS 18 Presentation and Disclosure in Financial Statements - The IASB issued IFRS 18 Presentation and Disclosure in Financial Statements in April 2024. IFRS 18 aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from 1 January 2027. IFRS 18 replaces IAS 1 Presentation of Financial Statements and will affect the presentation and disclosure of financial performance in the Company financial statements when adopted.

The Company does not expect the adoption of the above new standards, amendments and interpretations to have a material impact on the future financial statements of the Company.

## **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.



(cont..)

## LMW GLOBAL FZE

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

Notes to the financial statements for the year ended 31 March 2025

Significant accounting policies. (Cont. page 13)

**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.

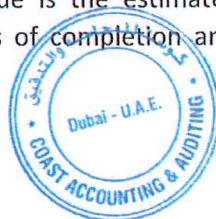
### (c) Property, plant and equipment

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                | 5 to 6                           |
| Building               | 10                               |
| Plant and Machinery    | 10                               |
| Office Equipements     | 6                                |
| Furniture and Fixtures | 3                                |
| 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.





## LMW GLOBAL FZE

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

Notes to the financial statements for the year ended 31 March 2025

Significant accounting policies. (Cont. page 14)

**(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.

**(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 cash and 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>31.03.2025</u> | <u>31.03.2024</u> |
|---|-------------------|-------------------|
| <b>7 PROPERTY, PLANT AND EQUIPMENTS</b> | 3,553,674         | 3,026,629         |
| (See schedule on Page no. 22)           | <u>3,553,674</u>  | <u>3,026,629</u>  |
| <b>8 DEPOSITS</b>                       |                   |                   |
| Deposits                                | 321,088           | 182,567           |
|   | <u>321,088</u>    | <u>182,567</u>    |
| <b>9 INVESTMENTS</b>                    |                   |                   |
| Investments                             | 3,672,500         | 3,672,500         |
|   | <u>3,672,500</u>  | <u>3,672,500</u>  |
|   |                   | (Cont...)         |



**LMW GLOBAL FZE**

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

Notes to the financial statements for the year ended 31 March 2025

Significant accounting policies. (Cont. page 15)

(figures in U.A.E Dirhams)

|  | <u>31.03.2025</u> | <u>31.03.2024</u> |
|--|-------------------|-------------------|
| <b>10 <u>TRADE AND OTHER RECEIVABLES</u></b>                                       |                   |                   |
| Trade receivables  | 21,536,994        | 16,083,892        |
| Other receivables  | 180,714           | 139,222           |
| Advance to suppliers   | 118,373           | 205,362           |
|  | <u>21,836,081</u> | <u>16,428,476</u> |
| <b>11 <u>OTHER CURRENT ASSETS</u></b>  |                   |                   |
| JAFZA portal balance   | 6,502             | 3,064             |
| DCC portal balance   | 1,555             | 1,180             |
| Prepayments  | 581,427           | 244,291           |
|  | <u>589,484</u>    | <u>248,535</u>    |
| <b>12 <u>INVENTORIES</u></b>   |                   |                   |
| Inventory- Components  | 804,338           | 1,032,365         |
| Inventory- Consumables   | -                 | 763               |
| Inventory- Tools   | -                 | 20,954            |
| Inventory - WIP  | 19,778            | -                 |
| Inventory in Transit   | -                 | 496,318           |
|  | <u>824,116</u>    | <u>1,550,400</u>  |
| (Management has physically verified and confirmed the Inventory on 31 March, 2025) |                   |                   |
| <b>13 <u>CASH AND CASH EQUIVALENTS</u></b>   |                   |                   |
| Cash in hand   | 95,727            | 3,714             |
| Bank Balance   | 16,658,728        | 12,012,119        |
|  | <u>16,754,455</u> | <u>12,015,833</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                      | 16,754,455        | 12,015,833        |
| Balance as per statement of cash flows | <u>16,754,455</u> | <u>12,015,833</u> |



(Cont...)

**LMW GLOBAL FZE**

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

Notes to the financial statements for the year ended 31 March 2025

Significant accounting policies. (Cont. page 16)**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     | LMW Holding Limited     | UAE         | 24,705        | 2,470,500        |
|       |                         |             | <u>24,705</u> | <u>2,470,500</u> |

(figures in U.A.E Dirhams)

31.03.2025      31.03.2024**15 RETAINED EARNINGS**

|                         |                   |                   |
|-------------------------|-------------------|-------------------|
| Opening balance         | 10,254,623        | 3,615,303         |
| Net profit for the year | 752,016           | 6,639,320         |
| Closing balance         | <u>11,006,639</u> | <u>10,254,623</u> |

**16 TRADE AND OTHER PAYABLES**

|                |                   |                   |
|----------------|-------------------|-------------------|
| Trade Payables | 23,762,052        | 17,779,733        |
| Other payables | 1,520,079         | 1,008,439         |
|                | <u>25,282,131</u> | <u>18,788,172</u> |

**17 OTHER CURRENT LIABILITIES**

|                  |                  |                  |
|------------------|------------------|------------------|
| Accrued expenses | 8,722,526        | 5,611,645        |
| Tax Liability    | 69,602           |                  |
|                  | <u>8,792,128</u> | <u>5,611,645</u> |

**18 REVENUE**

|                         |                   |                    |
|-------------------------|-------------------|--------------------|
| Revenue from Operations | 63,132,848        | 110,802,955        |
| Other Income            | 923,497           | 143,926            |
|                         | <u>64,056,345</u> | <u>110,946,881</u> |

**19 COST OF GOODS SOLD**

|                    |                   |                   |
|--------------------|-------------------|-------------------|
| Cost of goods sold | 47,724,610        | 88,983,542        |
|                    | <u>47,724,610</u> | <u>88,983,542</u> |



(Cont...)



**LMW GLOBAL FZE****RA08EC06, Jebel Ali Free Zone, Dubai, United Arab Emirates****Notes to the financial statements for the year ended 31 March 2025****Significant accounting policies. (Cont. page 17)**

(figures in U.A.E Dirhams)

|   | <u>31.03.2025</u>        | <u>31.03.2024</u>        |
|---|--------------------------|--------------------------|
| <b>20 GENERAL AND ADMINISTRATIVE EXPENSES</b> |                          |                          |
| Employee Benefit Expenses                     | 5,857,930                | 2,591,637                |
| Legal, visa and professional charges          | 1,105,613                | 184,771                  |
| Business Promotion Expenses                   | 811,010                  | 6,198,422                |
| Customs and clearing charges                  | 1,023,851                | 2,387,068                |
| Foreign exchange loss                         | 19,003                   | 5,652                    |
| Postage expenses                              | 75,375                   | 55,949                   |
| Rent expenses                                 | 1,538,799                | 1,090,941                |
| Insurance expenses                            | 56,890                   | 65,122                   |
| Training and development expenses             | 2,826                    | 56,111                   |
| Miscellaneous expenses                        | 4,462,699                | 2,348,882                |
|   | <u><b>14,953,996</b></u> | <u><b>14,984,555</b></u> |

**21 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.

**Ultimate Parent Entity**

LMW Limited (earlier known as Lakshmi Machine Works Limited), India

**Sister company – Common shareholder**

LMW Textile Machinery (SUZHOU) Co. Ltd, Suzhou, China

**Closing Balance as on 31.03.2025**

| Name  | Category         | Amount AED |
|---|------------------|------------|
| LMW Textile Machinery (SUZHOU) Co. Ltd, Suzhou, China | Trade Payable    | 128,527    |
| LMW Limited, India                                    | Trade Payable    | 18,348,239 |
| LMW Limited, India                                    | Trade Receivable | 5,826,215  |

**Transactions during Year**

| Name  | Nature    | Amount AED |
|---|-----------|------------|
| LMW Textile Machinery (SUZHOU) Co. Ltd, Suzhou, China | Purchases | 41,068     |
| LMW Limited, India                                    | Sales     | 3,296,068  |
| LMW Limited, India                                    | Purchases | 34,504,121 |

(Cont...)





## LMW GLOBAL FZE

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

Notes to the financial statements for the year ended 31 March 2025

Significant accounting policies. (Cont. page 18)

### 22 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.

### 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.

### 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.



(Cont...)

## LMW GLOBAL FZE

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

Notes to the financial statements for the year ended 31 March 2025

Significant accounting policies. (Cont. page 19)

### 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.

### 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, 2025.

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, 2025 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.

The Company shall continue to monitor critical Cabinet Decisions to determine the impact on the Company, from deferred tax perspective.

The Company is registered under Corporate Tax vide reg. no. 100454908300001.



(Cont...)

## LMW GLOBAL FZE

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

Notes to the financial statements for the year ended 31 March 2025

Significant accounting policies. (Cont. page 20)

The company for the current year has made a provision for corporate tax as under :

(figures in U.A.E Dirhams)

**31.03.2025**

|  |           |
|--|-----------|
| Net profit before tax                            | 821,617   |
| Add : Disallowed Expenses                        | 326,737   |
| Less : Exemption limit upto 375,000 AED = 0% tax | (375,000) |
| Net profit after exemption                       | 773,354   |
| Current tax provision 9%                         | 69,602    |

### 27 COMPARATIVE FIGURES

The fiscal period covers the period of 12 months from 01 April 2024 to 31 March 2025.  
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 Board Members on 30 May 2025.

For LMW GLOBAL FZE

Authorized Signatory





# LMW GLOBAL FZE

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

## Statement of property, plant and equipments

(figures in U.A.E Dirhams)

### 7 Property, Plant and Equipment

#### Cost :

|                                | Capital work<br>in progress | Building<br>Improvements | Plant &<br>Machinery | Computer &<br>accessories | Furniture<br>& Fixtures | Guest House<br>assets | Vehicles  | Total     |
|--------------------------------|-----------------------------|--------------------------|----------------------|---------------------------|-------------------------|-----------------------|-----------|-----------|
| Balance at 31 March 2023       | 723,700                     | 958,758                  | 838,422              | 87,905                    | 42,028                  | 52,451                | 128,080   | 2,831,344 |
| Additions during the year      | -                           | 171,260                  | 283,350              | 10,283                    | 151,336                 | -                     | 132,726   | 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                 | -                     | 260,806   | 3,527,848 |
| Additions during the year      | -                           | 196,199                  | -                    | -                         | -                       | -                     | 886,967   | 1,083,166 |
| Transfer from CWIP to Building | -                           | -                        | -                    | -                         | -                       | -                     | -         | -         |
| Transfer to Expenses           | -                           | -                        | -                    | -                         | -                       | -                     | -         | -         |
| Balance at 31 March 2025       | -                           | 2,049,917                | 1,121,772            | 98,188                    | 193,364                 | -                     | 1,147,773 | 4,611,014 |

#### Accumulated Depreciation :

|                          |   |         |         |        |        |   |         |           |
|--------------------------|---|---------|---------|--------|--------|---|---------|-----------|
| Balance at 31 March 2023 | - | 78,429  | 47,825  | 14,148 | 2,988  | - | 18,365  | 161,755   |
| Charged for the year     | - | 143,215 | 88,462  | 14,148 | 45,519 | - | 48,120  | 339,464   |
| Balance at 31 March 2024 | - | 221,644 | 136,287 | 28,296 | 48,507 | - | 66,485  | 501,219   |
| Charged for the year     | - | 199,072 | 126,203 | 47,907 | 15,671 | - | 167,268 | 556,121   |
| Balance at 31 March 2025 | - | 420,716 | 262,490 | 76,203 | 64,178 | - | 233,753 | 1,057,340 |

#### Net Book Value

|                          |   |           |         |        |         |   |         |           |
|--------------------------|---|-----------|---------|--------|---------|---|---------|-----------|
| Balance at 31 March 2024 | - | 1,632,074 | 985,485 | 69,892 | 144,857 | - | 194,321 | 3,026,629 |
| Balance at 31 March 2025 | - | 1,629,202 | 859,282 | 21,985 | 129,186 | - | 914,020 | 3,553,674 |

