

Motherson Techno Tools Mideast (FZE)
P. O. Box. 120105
Sharjah Airport International Free Zone
Sharjah (U.A. E.)

Financial Statements 31 MARCH 2024

مؤسسة النداء لتدقيق الحسابات

AL NEDAA AUDITING
ACCOUNTANTS

هاتف : ٥٦٨٧٢٧٢ - ٠٦ ، فاكس : ٥٦٨١٧١٥ - ٠٦
ص . ب : ٩٨٤ ، الشارقة - ا . ع . م .

Tel.: 06 - 5687272, Fax : 06 - 5681715
P.O. Box: 984, Sharjah - U.A.E.

هاتف : ٧٤٧٠٩٨٠ - ٠٦ ، ص.ب: ٥٦٢٨ - عجمان - ا.ع.م.
Tel.: 06 - 7470980, P.O. Box : 5628, Ajman - U.A.E.

Email: alneeda2011@hotmail.com

محاسبون قانونيون ومدققو حسابات

INDEX

1	Auditor's Report	Page No. 3
2	Statement of Financial Position	Page No. 4
3	Statement of Comprehensive Income	Page No. 5
4	Statement of Cash Flows	Page No. 6
5	Statement of Changes in Equity	Page No. 7
6	Notes to the Financial Statements	Page No. 8 to 20



مؤسسة النداء لتدقيق الحسابات
AL NEDAA AUDITING ACCOUNTANTS
محاسبون قانونيون ومدققو حسابات

Independent Auditor's Report

We have audited the accompanying financial statements of Motherson Techno Tools Mideast (FZE), Sharjah Airport International Free Zone Sharjah, UAE., on pages 4 to 20 which comprise the statement of financial position as at 31 MARCH 2024 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended 31 MARCH 2024 and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements. Whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements on pages 4 to 20 give a true and fair view of the financial position of Motherson Techno Tools Mideast (FZE), Sharjah, U.A.E. as of 31 MARCH 2024 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

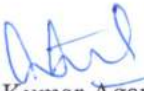
Sami Zaki Amin Ahmed Zaki Am
Registration No-440
Place: - Sharjah
Date: - 26/04/2024



MOTHERSON TECHNO TOOLS MIDEAST (FZE)
SHARJAH AIRPORT INTERNATIONAL FREE ZONE (U.A.E)
STATEMENT OF FINANCIAL POSITION AS ON 31 MARCH 2024

	NOTES	2024 US\$	2023 US\$
<u>ASSETS</u>			
<u>NON CURRENT ASSETS</u>			
Property, Plant & Equipment	4	18,676	3,433
Right of use asset	5	156,750	170,172
		-----	-----
TOTAL NON CURRENT ASSETS		175,426	173,605
		-----	-----
<u>CURRENT ASSETS</u>			
Inventories		117,900	108,219
Trade & other receivable	6	785,506	801,758
Other current assets	7	2,248,299	66,275
Cash & cash equivalents	8	798,486	2,664,233
		-----	-----
		3,950,191	3,640,485
		-----	-----
TOTAL ASSETS		4,125,617	3,814,090
		-----	-----
<u>LIABILITIES & EQUITY</u>			
<u>NONCURRENT LIABILITIES</u>			
Gratuity provision		50,146	38,612
Lease liability	9	151,693	162,962
		-----	-----
		201,839	201,574
		-----	-----
<u>CURRENT LIABILITIES</u>			
Lease liability	9	10,910	11,917
Trade & other payables	10	356,707	341,350
Short term provisions	12	3,491	2,335
		-----	-----
		371,108	355,602
		-----	-----
TOTAL LIABILITIES		572,947	557,176
		-----	-----
<u>EQUITY</u>			
Share capital		40,984	40,984
surplus carried forward		3,511,686	3,215,930
		-----	-----
TOTAL EQUITY		3,552,670	3,256,914
		-----	-----
TOTAL LIABILITIES & EQUITY		4,125,617	3,814,090
		-----	-----

These financial statements on pages 4 to 20 were approved on 26/04/2024.


 Atul Kumar Agarwal
 (Director)



The notes on pages 8 to 20 from part of these financial statements

MOTHERSON TECHNO TOOLS MIDEAST (FZE)
SHARJAH AIRPORT INTERNATIONAL FREE ZONE (U.A.E)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	NOTES	01.04.2023 To 31.03.2024 US\$	01.04.2022 To 31.03.2023 US
<u>INCOME</u>			
Sales		2,042,761	1,954,704
Cost of sales	13	(1,076,253)	(1,025,927)
		-----	-----
Gross profit		966,508	928,777
Other Income	14	31,331	47,247
		-----	-----
		997,839	976,024
		-----	-----
<u>EXPENSES</u>			
Distribution expenses		55,094	63,161
Administration expenses	15	625,068	599,952
Finance charges		4,260	3,649
Depreciation	4	17,661	12,369
		-----	-----
		702,083	679,131
		-----	-----
PROFIT/LOSS FOR THE YEAR		295,756	296,893
<u>OTHER COMPREHENSIVE INCOME</u>		-	-
		-----	-----
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		295,756	296,893
		-----	-----

These financial statements on pages 4 to 20 were approved on 26/04/2024.


Atul Kumar Agarwal
(Director)



The notes on pages 8 to 20 from part of these financial statements



MOTHERSON TECHNO TOOLS MIDEAST (FZE)
SHARJAH AIRPORT INTERNATIONAL FREE ZONE (U.A.E)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	01.04.2023	01.04.2022
	To	To
	31.03.2024	31.03.2023
	US\$	US\$
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the year	295,756	296,893
Adjustment for:		
Depreciation	17,661	12,369
Finance charges	4,260	3,649
Movement in gratuity provision	12,690	(2,979)
Provision for Doubtful Debts	-	-
	-----	-----
PROFIT BEFORE WORKING CAPITAL CHANGES	330,367	309,932
Changes in operating assets and liabilities:		
(Increase)/Decrease in inventory	(9,681)	12,701
(Increase)/Decrease in trade & other receivables	16,252	(26,146)
(Increase)/Decrease in other current assets	(21,963)	(10,416)
Increase/(Decrease) in trade & other Payables	3,081	(5,385)
	-----	-----
Cash Generated from Operations	(12,311)	(29,246)
	-----	-----
NET CASH FLOW FROM OPERATING ACTIVITIES-A	318,056	280,686
	-----	-----
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(19,484)	(2,253)
Right of use assets	-	-
	-----	-----
NET CASH FLOW FROM INVESTING ACTIVITIES-B	(19,484)	(2,253)
	-----	-----
Finance Charges Paid	(4,260)	(3,649)
Inter Corporate Deposits Received/(Granted)	(2,160,061)	-
	-----	-----
NET CASH FLOW FROM FINANCING ACTIVITIES-C	(2,164,321)	(3,649)
	-----	-----
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS ---- (A+B+C)	(1,865,749)	274,784
Cash and cash equivalents at the beginning of the year	2,664,233	2,389,450
	-----	-----
Cash and cash equivalents at the Closing of the year	7,98,486	2,664,233
	-----	-----

280

(3,)

The notes on pages 8 to 20 from part of these financial statements



MOTHERSON TECHNO TOOLS MIDEAST (FZE)
SHARJAH AIRPORT INTERNATIONAL FREE ZONE (U.A.E)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

Year to 31st March 2024	<u>Share</u>	<u>Surplus C/F</u>	<u>Total</u>
	<u>Capital</u>		
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Balance at 1st April 2023	40,984	3,215,930	32,256,914
Net Profit for the year	-	295,756	295,756
Dividend Paid		-	-
	-----	-----	-----
Balance at 31st March 2024	40,984	3,511,686	3,552,670
	-----	-----	-----
Year to 31 March 2023	<u>Share</u>	<u>Surplus C/F</u>	<u>Total</u>
	<u>Capital</u>		
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Balance at 1st April 2022	40,984	2,919,037	2,960,021
Net Profit for the year	-	296,893	296,893
Dividend Paid		-	-
	-----	-----	-----
Balance at 31st March 2023	40,984	3,215,930	3,256,914
	-----	-----	-----

The notes on pages 8 to 20 from part of these financial statements



MOTHERSON TECHNO TOOLS MIDEAST (FZE)
SHARJAH INTERNATIONAL AIRPORT FREE ZONE (U. A. E.)
NOTES TO THE FIANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. STATUS

This company is established since 18th December 2005 under license No. 01-01-03516 issued by Sharjah Airport International Free Zone. The owner of the company is Motherson Techno Tools Ltd. (India).

2. ACTIVITY

The firm is engaged in the business of General Trading of cutting tools and machine accessories.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

3.1 Accounting Policies

These financial statements are the separate financial statements of Motherson Techno Tools Mideast (FZE) and have been prepared for filing with the regulatory authority by the parent company. The significant accounting policies adopted by the company in the preparation of these financial statements are as follows:

3.1.2 BASIS OF PREPARATION

These financial statements have been prepared for the year 1st April 2023 to 31st March 2024 (Previous period 1st April 2022 to 31st March 2023) under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS). The accompanying financial statement have been presented on the basis that the Company will continue as a going concern.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual result could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected.

3.2 SIGNIFICANT ACCOUNTING POLICIES

3.2.1 Property, Plant & Equipment

Depreciation of property, Plant & equipment is charged using the straight line method so as to provide for the full cost of assets over their estimated useful lives. The principal categories of assets and their estimated useful lives are as follows:

	<i>Years</i>
Computer & Office Equipment	3 (33.33%)
Furniture & Fixture	6 (16.67%)
Vehicle	4 (25%)

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the costs of the item can be measured reliably. All repairs and maintenance are charged to the income statement during the financial period in which they are incurred.



MOTHERSON TECHNO TOOLS MIDEAST (FZE)
SHARJAH INTERNATIONAL AIRPORT FREE ZONE (U.A.E.)
NOTES TO THE FIANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

3.2.2 Accounts and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received whether or not billed to the company.

3.2.3 Accounts Receivable

Accounts receivables originated by the company are measured at cost. An allowance for credit losses of accounts receivable is established when there is objective evidence that the company will not be able to collect the amounts due. Indicators that the accounts receivable are impaired include consistent default in the payments when due in accordance with the terms of agreement with the customer, financial difficulties of the customer and other indicators. When an accounts receivable is considered uncollectible, it is written off against the allowance account for credit losses. Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income. The carrying value of accounts receivable approximate to their fair value due to the short term nature of those receivables.

3.2.4 Related Party Transactions

The company in the course of business buys from other business enterprises that fall within the definition of related party contained in International Accounting Standard No. 24. The company believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

3.2.5 End of Service Benefits

Accruals for liabilities for end of service benefits have been made in accordance with local labour laws.

3.2.6 Sales

Sales of goods are recognized when goods are delivered and title has passed, net of discounts and returns.

3.2.7 Cash and Cash Equivalents

Cash and cash equivalents consist of unrestricted cash and bank balances.

3.2.8 Foreign Currencies

Assets and Liabilities in foreign currencies have been translated at the mid-market rates ruling at the balance sheet date. Transactions during the year are translated at the rates of exchange prevailing at the transactions dates.

3.2.9 Inventories

Inventories are valued on a weighted averagecost basis at lower of cost and net realizable value. Cost comprises all expenditure required to bring the inventories to their present location and condition. The inventories are certified and valued by the authorized signatory of the company.



MOTHERSON TECHNO TOOLS MIDEAST (FZE)
SHARJAH INTERNATIONAL AIRPORT FREE ZONE (U.A.E.)
NOTES TO THE FIANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

3.2.10 Impairment

Financial Assets

At each balance sheet date, the company assesses if there is any objective evidence indicating impairment of financial assets or non-collectability of receivables and impairment loss, if any, arrived at as a difference between the carrying amount and the recoverable amount is recognized in the statement of income. The recoverable amount represents the present value of expected future cash flow discounted at original effective interest rate. Cash flow relating to short term receivable is not discounted.

Non financial assets

At each balance sheet date, the Company assesses if there is any indication of impairment of non-financial assets. If an indication exists, the Company estimates the recoverable amount of the asset and recognizes an impairment loss in the statement of income. The company also assesses if there is any indication that an impairment loss recognized in prior years no longer exists or has reduced. The resultant impairment loss or reversals are recognized immediately in the statement of income.

3.2.11 Financial Liabilities

All financial liabilities are initially measured at cost and are subsequently measured at amortized cost.

3.2.12 Financial Instruments

Financial instruments are recognized in the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

3.2.13 Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the company. It can also be a present obligation arising from the past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognized but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as provision.

A contingent asset is a possible asset that arises from past events and whose existence 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. Contingent assets are not recognized but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognized.



MOTHERSON TECHNO TOOLS MIDEAST (FZE)
SHARJAH INTERNATIONAL AIRPORT FREE ZONE (U.A.E.)
NOTES TO THE FIANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

3.2.14 Significant Accounting Estimates

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

Impairment of accounts receivable

An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and an allowance applied according to the length of time past due, based on historical recovery rates. Any difference between the amounts actually collected in future periods and the amounts expected to be collected will be recognized in the income statement.

3.2.15 Significant Accounting Estimates

Leasing and rental agreements will be disclosed by the principle of right-of-use in accordance with IFRS16.



MOTHERSON TECHNO TOOLS MIDEAST (FZE)
SHARJAH INTERNATIONAL AIRPORT FREE ZONE (U.A.E)
NOTES TO THE FIANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

4. ASSETS- NON CURRENT

<u>ASSETS</u>	31.03.2024	31.03.2023
	<u>US\$</u>	<u>US\$</u>
Property, Plant & Equipment	18,676	3,433
Investments (FDR)	-	-
	-----	-----
	18,676	3,433
	-----	-----

	COMPUTER & OFFICE EQUIPMENT	FURNITURE & FIXTURE	VEHICLE	TOTAL US\$
Year to 31st March 2024	-----	-----	-----	-----
<u>COST</u>				
As at 01.04.2023	18,837	27,297	75,795	121,929
Additions during the year	604	160	18,720	19,484
Disposals/Transfers during the year	-	-	-	-
	-----	-----	-----	-----
As at 31.03.2024	19,441	27,456	94,515	141,413
	-----	-----	-----	-----
<u>DEPRECIATION</u>				
As at 01.04.2023	16,291	26,411	75,795	118,497
For the year	1,169	301	2,769	4,239
Disposals/Transfers	-	-	-	-
	-----	-----	-----	-----
As at 31.03.2024	17,460	26,712	78,564	122,736
	-----	-----	-----	-----
Net book Value				
As at 31.03.2024	1,982	744	15,951	18,676
	-----	-----	-----	-----



MOTHERSON TECHNO TOOLS MIDEAST (FZE)
SHARJAH INTERNATIONAL AIRPORT FREE ZONE (U.A.E)
NOTES TO THE FIANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Year to 31 March 2023	COMPUTER & OFFICE EQUIPMENT	FURNITURE & FIXTURE	VEHICLE	TOTAL US\$
	-----	-----	-----	-----
<u>COST</u>				
As at 01.04.2022	16,981	26,900	75,795	119,676
Additions during the year	1,856	397	-	2,253
Disposals/Transfers during the year	-	-	-	-
	-----	-----	-----	-----
As at 31.03.2023	18,837	27,297	75,795	121,929
	-----	-----	-----	-----
<u>DEPRECIATION</u>				
As at 01.04.2022	15,015	26,230	75,795	117,040
For the year	1,276	181	-	1,457
Disposals/Transfers	-	-	-	-
	-----	-----	-----	-----
As at 31.03.2023	16,291	26,411	75,795	118,497
	-----	-----	-----	-----
Net book Value as on 31.03.2023	2,547	886	-	3,433
	-----	-----	-----	-----



MOTHEKSON TECHNO TOOLS MIDEAST (FZE)
SHARJAH INTERNATIONAL AIRPORT FREE ZONE (U.A.E)
NOTES TO THE FIANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

5. <u>RIGHT OF USE ASSET</u>	31.03.2024	31.03.2023
	<u>US\$</u>	<u>US\$</u>
Gross carrying amount		
Opening gross carrying amount /deemed cost	207,584	207,584
Add: Additions during the year	-	-
Less: Deletions during the year	-	-
	-----	-----
Closing gross carrying amount	207,584	207,584
	-----	-----
Accumulated depreciation:		
Opening balance	37,412	26,500
Add: Depreciation for the year	13,422	10,912
Less: Deletions during the year	-	-
	-----	-----
Closing accumulated depreciation	50,834	37,412
	-----	-----
Net carrying amount	156,750	170,172
	-----	-----
6. <u>TRADE & OTHER RECEIVABLES</u>	31.03.2024	31.03.2023
	<u>US\$</u>	<u>US\$</u>
Trade Receivables	649,134	815,707
Due to associates Companies	152,730	944
Less : Provision for doubtful debts	(16,364)	(16,364)
Others Receivables:	-	-
Staff Advances	-	-
Creditors Debit Balance	-	-
Other Receivables	6	1,471
	-----	-----
	785,506	801,758
	-----	-----
x		
7. <u>OTHER CURRENT ASSETS</u>	31.03.2024	31.03.2023
	<u>US\$</u>	<u>US\$</u>
Security Deposits	14,472	14,472
Inter Corporate Deposit	2,160,061	-
Accrued Interest there on ICD	1,325	-
Prepayments	21,277	20,027
Other receivables	51,164	31,776
	-----	-----
	2,248,299	66,275
	-----	-----



MOTHERSON TECHNO TOOLS MIDEAST (FZE)
SHARJAH INTERNATIONAL AIRPORT FREE ZONE (U.A.E)
NOTES TO THE FIANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

8. <u>CASH & CASH EQUIVALENTS</u>	31.03.2024	31.03.2023
	<u>US\$</u>	<u>US\$</u>
Cash in Hand	2,415	409
Cash in Bank:		
Current Account	796,071	2,663,824
Fixed Deposits	-	-
Payment In Transit	-----	-----
	798,486	2,664,233
	-----	-----

9. <u>LEASE LIABILITIES</u>	31.03.2024	31.03.2023
	<u>US\$</u>	<u>US\$</u>
<u>Lease liability</u>		
- Current	10,910	11,917
- Non-Current	151,693	162,962
	-----	-----
	162,603	174,879
	-----	-----

10. <u>TRADE & OTHER PAYABLES</u>	31.03.2024	31.03.2023
	<u>US\$</u>	<u>US\$</u>
Trade payables	61,391	62,947
Others payables:		
Due to associates companies (Note 11)	268,313	249,135
Expenses Payable	27,003	29,268
Debtors credit balance	-	-
Bills Payable	-	-
	-----	-----
	356,707	341,350
	-----	-----

11. <u>DUE TO ASSOCIATES CO'S</u>	31.03.2024	31.03.2023
	<u>US\$</u>	<u>US\$</u>
Motherson Techno Tools Ltd	30,483	85,706
Sumitomo Electric Industries	176,670	163,429
MSSL GMBH	61,160	-
	-----	-----
	268,313	249,135
	-----	-----



MOTHERSON TECHNO TOOLS MIDEAST (FZE)
SHARJAH INTERNATIONAL AIRPORT FREE ZONE (U.A.E)
NOTES TO THE FIANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Transaction during the year with related parties are as follows:

	31.03.2024	31.03.2023
	<u>US\$</u>	<u>US\$</u>
Sale	-	(1,131)
Purchase	889,944	789,671
Payment made to Associates	(931, 926)	(736,269)
Payment Received from Associates	-	- 944

12. SHORT TERM PROVISIONS

	31.03.2024	31.03.2023
	<u>US\$</u>	<u>US\$</u>
Provision for leave salary	3,491	2,335
	-----	-----
	3,491	2,335
	-----	-----

SHARE CAPITAL

The capital of the company is made up as follows:-

	<u>No. of Shares</u>	<u>Face Value</u>	<u>Total (US\$)</u>
1. Motherson Techno Tools Ltd. India	1	40,984	40,984
		-----	-----
		40,984	40,984
		-----	-----



MOTHERSON TECHNO TOOLS MIDEAST (FZE)
SHARJAH INTERNATIONAL AIRPORT FREE ZONE (U.A.E)
NOTES TO THE FIANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

<u>13. COST OF SALES</u>	31.03.2024	31.03.2023
	<u>US\$</u>	<u>US\$</u>
Opening Stock	108,219	120,920
Purchase	993,411	898,253
Freight inward, customs duty etc.	92,523	114,973
	-----	-----
	1,194,153	1,134,146
Less: Closing Stock	(117,900)	(108,219)
	-----	-----
	1,076,253	1,025,927
	-----	-----
 <u>14. ADMINISTRATIVE EXPENSES</u>	 31.03.2024	 31.03.2023
	<u>US\$</u>	<u>US\$</u>
Staff Salaries	226,990	232,324
Legal & Professional Charges	277,173	247,564
Management Consultancy	6,670	16,221
Other Administrative Expenses	114,235	103,814
Rent Expense	-	29
	-----	-----
	625,068	599,952
	-----	-----
 <u>15. OTHER INCOME</u>	 31.03.2024	 31.03.2023
	<u>US\$</u>	<u>US\$</u>
Miscellaneous Income	8,667	14,198
Interest Income	1,325	-
Commission	-	-
Exchange Fluctuation Gain	21,339	33,049
	-----	-----
	31,331	47,247
	-----	-----



MOTHERSON TECHNO TOOLS MIDEAST (FZE)
SHARJAH INTERNATIONAL AIRPORT FREE ZONE (U. A. E.)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

16. Cash and Cash Equivalents:

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash in hand, bank balances, and short term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

17. Segment Reporting:

IAS 14 / IFRS 8 is applicable only to the separate or individual financial statement of an entity whose debt or equity instruments are traded in public market or the entity that files or is in the process of filing, its financial statements with a securities commission or other regulatory organization for the purpose of issuing any class of instruments in a public market. Same is not applicable to the Company.

The Company has no branch / depots and the company has trading business of cutting tools only. Hence geographical and product segmental accounting is not applicable to the Company.

18. Earnings per Share:

IAS 33 is applicable to the separate or individual financial statements of an entity whose debt or equity instruments are traded in public market or the entity that files or the process of filing, its financial statements with a securities commission or other regulatory organization for the purpose of issuing any class of instruments in a public market. Same is not applicable to the Company.

19. Contingent Liabilities

At the reporting date, contingent liability was nil (in previous year –Nil)

20. Comparative Figures

Certain comparative figures have been reclassified to conform to the presentation adopted in these financial statements.



MOTHERSON TECHNO TOOLS MIDEAST (FZE)
SHARJAH INTERNATIONAL AIRPORT FREE ZONE (U. A. E.)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

21. FINANCIAL INSTRUMENTS AND ASSOCIATED RISK

Financial Risk Factors

Financial assets of the company include trade and other receivables, cash and cash equivalents. Financial liabilities include trade and other payables.

The management believes that the fair values of the financial assets and liabilities approximate to their carrying amounts.

The company's financial risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects of the performance. Under the company's risk management program, management identifies and documents key risks and sets out policies and procedures required to mitigate these risks. The identified key risks are:

Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables and investment securities.

Financial assets that potentially expose the establishment to concentrations of credit risk comprise principally of bank accounts trade and other receivables.

The company has policies in place to ensure that sales of services are provided to customers with an appropriate credit history. Cash is placed with quality and established commercial banks.

At the reporting date 66.16 % of trade receivables were due from six customers (previous year 42.07 % due from six customers).

There are no significant

Concentrations of credit risk to debtors outside the industry in which the establishment operates.



MOTHERSON TECHNO TOOLS MIDEAST (FZE)
SHARJAH INTERNATIONAL AIRPORT FREE ZONE (U. A. E.)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Interest Rate Risk

Bank borrowings at variable interest rates expose the company to cash flow interest rate risk and those at fixed rates expose the company to fair value interest rate risk.

Exchange Rate Risk

There are no significant exchange rate risks as significantly all financial assets and financial liabilities are denominated in UAE Dirham's or US Dollars to which Dirham is fixed.

Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The company manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. The company also maintains good working relationship with its banks and ensures compliance with the covenants as stipulated in facility agreements.

Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

Fair Value of Financial Instruments

Financial instruments comprise financial assets and financial liabilities.

The fair values of the financial instruments are not materially different from their carrying amounts.



مؤسسة النداء لتدقيق الحسابات

AL NEDAA AUDITING
ACCOUNTANTS

هاتف : ٥٦٨٧٢٧٢ - ٠٦ ، فاكس : ٥٦٨١٧١٥ - ٠٦

ص . ب : ٩٨٤ ، الشارقة - إ . ع . م .

Tel.:06 - 5687272, Fax : 06 - 5681715

P.O. Box: 984, Sharjah - U.A.E.

هاتف : ٧٤٧٠٩٨٠ - ٠٦ ، ص.ب: ٥٦٢٨ - عجمان - إ.ع.م.

Tel.: 06 - 7470980, P.O. Box : 5628, Ajman - U.A.E.

Email: alneeda2011@hotmail.com

محاسبون قانونيون ومدققو حسابات