



LT Foods Middle East DMCC
Financial Statements
March 31, 2024

LT Foods Middle East DMCC
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March 31, 2024

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LT Foods Middle East DMCC

Director's Report

Year Ended March 31, 2024

The Directors' hereby presents the annual report together with the audited financial statements of LT Foods Middle East DMCC ("the Company") for the year ended March 31, 2024.

Financial Results & Analysis

	(Figures in AED)	
	2024	2023
Sales	150,536,686	98,920,502
Gross profit	17,840,221	14,533,455
(Loss) / Profit for the year	(3,200,734)	153,817
Net worth	1,171,574	4,372,308
Net current assets	11,204,131	15,858,077
Current ratio	1.27:1	1.81:1

Board of Directors

During the year, there were no changes in the composition of the Board of Directors of the Company.

Auditors

M/s Affinix A A S Auditors, will retire at the conclusion of the meeting, have expressed their willingness to continue in office and are eligible for re-appointment.

Other Matters

At the end of this report the Board of Directors are not aware of any circumstances not otherwise dealt with in this report or the accounts, which would render any amount stated in the accounts misleading.

On behalf of the Board of Directors



Mr. Gursajan Arora

Director

Dubai, United Arab Emirates

May 10, 2024



Independent Auditor's Report

The Shareholder of LT Foods Middle East DMCC Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of LT Foods Middle East DMCC ("the Company"), which comprise of the statement of financial position as at March 31, 2024 and the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of LT Foods Middle East DMCC as at March 31, 2024, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities.

Basis for Opinion

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

Responsibility of the Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 judgement 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 risks 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, misrepresentation or override of internal controls.
- Obtain an understanding of internal controls 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 controls.
- 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 going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We also provide the Management regarding with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the management, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters.

Affinix A A S Auditors



Abeer Altaf Syed
Registration number : 1148
Dubai, United Arab Emirates
May 10, 2024

LT Foods Middle East DMCC
Statement of Comprehensive Income
Year Ended March 31, 2024

(Figures in AED)	Note	2024	2023
Sales	5	150,536,686	98,920,502
Cost of sales	6	<u>(132,696,465)</u>	<u>(84,387,047)</u>
Gross profit		17,840,221	14,533,455
Other income	7	5,167	2,532,214
Selling, general and administration expenses	8	(20,128,337)	(15,108,347)
Amortisation	14	(437,601)	(1,424,493)
Depreciation	15	(103,586)	(172,044)
Finance costs	9	<u>(376,598)</u>	<u>(206,968)</u>
(Loss) / profit for the year		<u>(3,200,734)</u>	<u>153,817</u>



LT Foods Middle East DMCC
Statement of Financial Position
As at March 31, 2024

(Figures in AED)	Note	2024	2023
<u>ASSETS</u>			
Current Assets			
Cash and cash equivalents	10	3,593,214	216,452
Trade accounts receivable	11	38,879,399	25,642,685
Other receivables and prepayments	12	1,517,776	1,845,915
Inventories	13	8,605,018	7,741,386
Total Current Assets		<u>52,595,407</u>	<u>35,446,438</u>
Non-Current Assets			
Intangible assets	14	Nil	437,601
Property, plant and equipment	15	4,133,760	2,118,710
Total Non-Current Assets		<u>4,133,760</u>	<u>2,556,311</u>
Total Assets		<u>56,729,166</u>	<u>38,002,749</u>
<u>LIABILITIES AND EQUITY</u>			
Current Liabilities			
Trade accounts and other payable	16	41,282,731	19,466,622
Term loans	17	108,545.00	121,739
Total Current Liabilities		<u>41,391,276</u>	<u>19,588,361</u>
Non-Current Liabilities			
Term loans	17	976,910	1,081,632
Employees' end of service benefits	18	490,423	360,443
Total Non-Current Liabilities		<u>1,467,333</u>	<u>1,442,075</u>
Equity			
Share capital	19	1,000,000	1,000,000
(Accumulated Loss) / earnings		171,574	3,372,308
Shareholder's account		12,698,983	12,600,005
Total Equity Attributable to the Shareholder		<u>13,870,557</u>	<u>16,972,313</u>
Total Liabilities and Equity		<u>56,729,166</u>	<u>38,002,749</u>

These financial statements were approved by the Board of Directors on May 10, 2024 and signed on their behalf by:



Mr. Gursajan Arora
Director



LT Foods Middle East DMCC
Statement of Changes in Equity
Year Ended March 31, 2024

(Figures in AED)	Share Capital	(Accumulated Loss) / Retained Earnings	Shareholder's Account	Total
As at April 01, 2022	1,000,000	3,218,491	5,202,799	9,421,290
Profit for the year	Nil	153,817	Nil	153,817
Net movements during the year	<u>Nil</u>	<u>Nil</u>	<u>7,397,206</u>	<u>7,397,206</u>
As at March 31, 2023	1,000,000	3,372,308	12,600,005	16,972,313
Loss for the year	Nil	(3,200,734)	Nil	(3,200,734)
Net movements during the year	<u>Nil</u>	<u>Nil</u>	<u>98,978</u>	<u>98,978</u>
As at March 31, 2024	<u>1,000,000</u>	<u>171,574</u>	<u>12,698,983</u>	<u>13,870,557</u>



LT Foods Middle East DMCC**Statement of Cash Flows****Year Ended March 31, 2024**

(Figures in AED)	2024	2023
Cash Flow from Operating Activities		
(Loss) / profit for the year	(3,200,734)	153,817
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	103,586	172,044
Amortisation of intangible assets	437,601	1,424,493
Profit on disposal of property, plant and equipment	Nil	(2,532,214)
Provision for employees' end of services benefits	129,980	98,993
Balances written off	47,925	Nil
Provision for doubtful debts	6,745	303,404
<u>Changes in operating assets and liabilities</u>		
Increase in trade accounts receivables, other receivable and prepayments	(12,963,245)	(3,454,614)
Decrease / (Increase) in inventories	(863,632)	(6,527,220)
Increase / (Decrease) in trade accounts and other payable	21,816,109	(446,694)
Net cash generated from / (used in) operating activities	5,514,335	(10,807,991)
Cash Flow from Investing Activities		
Purchase of property, plant and equipment	(2,118,636)	(1,940,287)
Proceeds from disposal of property, plant and equipment	Nil	3,400,000
Net cash (used in) / generated from investing activities	(2,118,636)	1,459,713
Cash Flow from Financing Activities		
Term loans	(117,916)	(132,091)
Shareholder's account	98,978	7,397,206
Net cash (used in) / generated from financing activities	(18,938)	7,265,115
Net change in cash and cash equivalents	3,376,762	(2,083,163)
Cash and cash equivalents at beginning of the year	216,452	2,299,615
Cash and cash equivalents at end of the year	3,593,214	216,452



LT Foods Middle East DMCC

Notes to the Financial Statements

March 31, 2024

1 Legal Status, Shareholder, Management and Business Activity

LT Foods Middle East DMCC ("the Company") is a Free Zone Company with Limited Liability formed in accordance with the laws, rules and implementing regulations of Dubai Multi Commodities Centre Authority and registered under trading license number DMCC-33118 in the Emirate of Dubai.

The registered address of the Company is Unit No. 706, Mazaya Business Avenue, BB2, Plot No: JLTE-PH2-BB2, Jumeirah Lakes Towers, Dubai, United Arab Emirates.

The shareholder of the Company is:

Name of the Shareholder	Number of Shares	Percentage of shareholdings	Amount in (AED)
M/s. LT Foods Holdings ME Limited (formerly known as Sona Global Limited)	1,000	100%	1,000,000
Total	1,000	100%	1,000,000

The Company is managed by its Director, Mr. Gursajan Arora.

The Company is licensed to trade in foodstuff and beverage, agricultural commodities, grains cereals and legumes.

2 Basis of Preparation of Financial Statements

These financial statements are prepared on a going concern basis and in compliance with International Financial Reporting Standards for Small and Medium-sized Entities issued by International Accounting Standards Board. They are presented in Arab Emirate Dirhams, currency unit of United Arab Emirates. The presentation of financial statements in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities requires the determination and consistent application of accounting policies to transactions and events. Significant accounting policies, adopted and applied consistently in dealing with items that are considered material in relation to these financial statements, are set below.

The financial statements have been prepared under the historical cost convention basis.

The preparation of financial statements in conformity with International Financial Reporting Standards for Small and Medium-sized Entities requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the carrying amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and reasonable under the circumstances.

Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

Judgements made by the management in the application of accounting policies that have the most significant effect on the amounts recognised in the financial statements, and estimates that have a significant risk of causing a material adjustment are the estimation of the carrying amounts of assets and liabilities within the next financial year are as explained in Note 3.



3 Summary of Significant Accounting Policies

Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and commission in the ordinary course of the Company's activities. Revenue is shown net of sales returns and discounts.

Revenue is recognized by the Company when it can be reliably measured, probable future economic benefits are passed to the entity and the specific criteria has been met for the Company activities.

Sale of goods is recognised upon the issue of bill of lading from the supplier.

Interest income is recognised on effective interest method.

Commission is recognised on completion of services as per the terms and conditions agreed upon with the client.

Property, Plant and Equipment

Property, plant and equipment, is stated at historical costs less accumulated depreciation and any accumulated impairment losses. Historical costs includes expenditure that is directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Management.

The cost of replacing or addition to an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

Depreciation is charged to write off the cost of assets using the straight line method as follows:

Motor vehicles	4 years
Furniture and fixtures	4 - 5 years
Office equipments	4 years

The useful lives and depreciation method are reviewed periodically to ensure that the year and method of depreciation are consistent with the pattern of economic benefits expected to flow to the Company through the use of items of property, plant and equipment.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised as profit or loss in the statement of comprehensive income.

Capital work-in-progress, includes all direct costs incurred or attributable to the asset under construction and is not depreciated until it is transferred and capitalised at the time when it is brought into use.



3 Summary of Significant Accounting Policies (Continued)

Inventories

Inventories are valued at lower of cost and net realisable value. Cost is arrived at using the first in first out (FIFO) method. Cost comprises invoice value plus freight cost. Net realizable value is based on estimated selling price less estimated selling expenses.

Intangible Assets

Intangible assets are shown at historical cost less accumulated amortisation and any accumulated impairment losses if any. Intangible assets comprise of trademarks acquired and are amortised over its useful life of 7 years.

Financial Instruments

Financial assets are recognised when the Company becomes a party to the contractual provision of the financial instrument. Financial assets are derecognised when the contractual rights to receive the cash flows expire or substantially all the risks and rewards of ownership have been transferred. These are stated at cost less impairment losses. These are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. The Company derecognises financial liabilities when they are discharged, cancelled or expired. These are stated at cost, or where the impact is material at amortised cost using the effective interest method. These are included in current liabilities, except for maturities greater than 12 months after the balance sheet which are classified as non-current liabilities.

Financial instruments comprise of trade accounts and other receivable, cash in hand and at bank, trade accounts and other payable, and term loans.

Trade Accounts and Other Receivable

Receivable are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

The Management undertakes a periodic review of amounts recoverable from trade and other receivable, and determines recoverability based on various factors such as ageing of receivable, payment history, collateral available and other knowledge about the receivable.

Provision for bad and doubtful debts represents estimates of ultimate unrealizable debts. The estimates are judgemental and are based on case based evaluation by the Management.

Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand and at banks accounts that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade Accounts and Other Payable

Trade and other payable are stated at nominal amounts payable for goods or services rendered.



3 Summary of Significant Accounting Policies (Continued)

Borrowings

Borrowings are recognised at the transaction price, including transaction costs. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Company has unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

Employees' End of Service Benefits

Provision is made for the amounts payable under the UAE labour law applicable to the employees and is based on current basic remuneration and cumulative year of service at the balance sheet date.

Provision is made on the assumption that all employees were to leave as of the balance sheet date since this provides, in management's opinion, a reasonable estimate of the present value of terminal benefits.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the year of the lease.

Provisions

Provisions are recognised when the Company has a present obligation as a result of past event and it is probable that the outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of the amount expected to be required to settle the obligation and the risk specific to the obligation.

Taxes

Value Added Tax:

Expenses and assets are recognized net of the amount of input tax, except:

When the input tax is incurred on the purchase of asset, goods or expense which is non recoverable from the Federal Tax Authority, in which case, the input tax is recognized as part of the cost of acquisition of the asset, goods or expense, as applicable.

The net amount of value added tax recoverable from or payable to the Federal Tax Authority is included as part of receivables or payables in the statement of financial position, as applicable.

Input VAT and Output VAT:

Input VAT is recognized when the goods or services are supplied to the Company and the tax on which is paid/due to be paid by the Company to the supplier.

Output VAT is recognized in respect of taxable supply of goods/services rendered by the Company on which tax is charged and due to be paid to the Federal Tax Authority.



3 Summary of Significant Accounting Policies (Continued)

Foreign Currencies Translations

The financial statements are presented in Arab Emirates Dirhams, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

4 Significant Judgments in Applying the Accounting Policies and Key Source of Estimation Uncertainty

In the process of applying the Company's accounting policies, which are described in Note 3 to the financial statements, management has made the following judgments that have the most significant effect on the amounts recognized in the financial statements.

Contingencies

Contingent assets and liabilities are not recognized in the financial statements, but are disclosed unless the possibility of an inflow or outflow respectively of resources embodying economic benefits is remote.

Employees' End of Service Benefits

Employees' end of service benefits is grouped as a non-current liability on the judgment that the employees of the Company will be continued in the future periods irrespective of their visa expiry dates and other employment terms and conditions.

Impairment of Financial Assets at Fair Value

Objective evidence that a financial asset or group of assets is impaired includes observable data indicating that there has been a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, even though the decrease cannot yet be identified with the individual financial assets in the group, such as adverse national or local economic conditions or adverse changes in industry conditions.

Leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee.



**4 Significant Judgments in Applying the Accounting Policies and Key Source of Estimation
Uncertainty (Continued)**

Key Sources of Estimation Uncertainty

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

• **Useful lives of tangible and intangible assets**

The management periodically reviews estimated useful lives and depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

• **Impairment testing of tangible and intangible assets**

The determination of a possible impairment of tangible and intangible assets involves the estimation of future cash flows that are likely to occur from those intangible assets and assessing whether future cash flows will adequately recover the carrying cost of the intangible asset. To the extent that it is feasible, impairment is determined individually for each item and where this is not feasible, a collective evaluation is performed. As a consequence, such an evaluation requires significant judgment and it materially affects the carrying amount of intangible assets at the reporting date.

(Figures in AED)	2024	2023
5 Sales		
Rice	<u>150,536,686</u>	<u>98,920,502</u>
	<u>150,536,686</u>	<u>98,920,502</u>
6 Cost of Sales		
Purchase of rice	133,560,097	90,914,267
Changes in inventories	<u>(863,632)</u>	<u>(6,527,220)</u>
	<u>132,696,465</u>	<u>84,387,047</u>
7 Other Income		
Exchange gain	5,167	Nil
Profit on disposal of property, plant and equipment	<u>Nil</u>	<u>2,532,214</u>
	<u>5,167</u>	<u>2,532,214</u>



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(Figures in AED)	2024	2023
8 <u>Selling, General and Administration Expenses</u>		
Employees' cost	6,005,008	5,286,563
Sales promotion expense	10,112,034	5,916,837
Travelling expense	1,373,721	1,114,936
Office expenses	933,898	578,011
Directors' remuneration	720,000	720,000
Rent	468,633	428,799
Storage charges	252,337	52,236
Legal and professional	195,574	614,991
Balances written off	47,925	Nil
Detention charges	12,462	92,570
Provision for bad and doubtful debts	6,745	303,404
	<u>20,128,337</u>	<u>15,108,347</u>
9 <u>Finance Costs</u>		
Bank charges	263,649	113,896
Interest on bank loan	109,968	88,588
Interest on vehicle loan	2,981	4,438
Exchange loss	Nil	46
	<u>376,598</u>	<u>206,968</u>
10 <u>Cash and Cash Equivalents</u>		
Cash in hand	2,454	9,689
Balance in local currency accounts	589,050	196,491
Balance in foreign currency accounts	3,001,710	10,272
	<u>3,593,214</u>	<u>216,452</u>
11 <u>Trade Accounts Receivables</u>		
Outstanding for less than 6 months	37,448,213	23,888,461
Outstanding for more than 6 months	1,741,335	2,057,628
	<u>39,189,548</u>	<u>25,946,089</u>
Less : Provision for bad and doubtful debts	<u>(310,149)</u>	<u>(303,404)</u>
	<u>38,879,399</u>	<u>25,642,685</u>
Movement in provision for bad and doubtful debts is as below:		
Balance at the beginning of the year	303,404	Nil
Provision during the year	6,745	303,404
Balance at the end of the year	<u>310,149</u>	<u>303,404</u>



LT Foods Middle East DMCC
Notes to the Financial Statements
March 31, 2024

(Figures in AED) 2024 2023

12 Other Receivables and Prepayments

Advance to suppliers	109,517	1,399,472
Prepaid expenses	165,127	291,183
Staff advances	1,211,720	95,682
Deposits	23,705	20,450
Advance to Associate	7,707	7,707
Advance to Director	Nil	31,421
	1,517,776	1,845,915

13 Inventories

Rice	5,290,151	5,546,823
Goods in transit	3,314,867	2,194,563
	8,605,018	7,741,386

14 Intangible Assets

Intellectual Property Rights

Cost :

Balance at the beginning of the year	9,971,945	9,971,945
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Accumulated Amortisation :

Balance at the beginning of the year	9,534,344	8,109,851
Charge for the year	437,601	1,424,493
Balance at the end of the year	9,971,945	9,534,344

Net Book Value :

Balance at the end of the year	Nil	437,601
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The above intellectual property rights comprise of trademarks acquired from third party. The Company has obtained the right to the intellectual property in accordance to the Brand Assignment Agreement dated July 21, 2016.



LT Foods Middle East DMCC
Notes to the Financial Statements
March 31, 2024

15 Property, Plant and Equipment

	Motor Vehicles	Furniture and Fixtures	Office Equipments	Capital Work In Progress	Total
Cost :					
As at April 01, 2023	366,683	763,433	357,756	1,857,744	3,345,616
Additions during the year	Nil	2,118,636	Nil	Nil	2,118,636
Reclassified during the year	Nil	25,352	(25,352)	Nil	Nil
Transfer during the year	Nil	1,857,744	Nil	(1,857,744)	Nil
As at March 31, 2024	<u>366,683</u>	<u>4,765,165</u>	<u>332,404</u>	<u>Nil</u>	<u>5,464,252</u>
Accumulated Depreciation :					
As at April 01, 2023	214,934	753,046	258,926	Nil	1,226,906
Charge for the year	60,562	12,857	30,167	Nil	103,586
Reclassified during the year	Nil	1,736	(1,736)	Nil	Nil
As at March 31, 2024	<u>275,496</u>	<u>767,639</u>	<u>287,357</u>	<u>Nil</u>	<u>1,330,492</u>
Net Book Value :					
As at March 31, 2024	<u>91,187</u>	<u>3,997,526</u>	<u>45,047</u>	<u>Nil</u>	<u>4,133,760</u>
As at March 31, 2023	<u>151,749</u>	<u>10,387</u>	<u>98,830</u>	<u>1,857,744</u>	<u>2,118,710</u>

During the fiscal year, the company completed the fit-out and installation of furniture and fixtures, which are capitalized under the furniture and fixtures category, total amounting to AED 3,976,380 from current and previous years. The underlying property is not owned by the entity. These assets are used exclusively for official purposes, supporting the company's business operations and thus recorded as company assets.



LT Foods Middle East DMCC
Notes to the Financial Statements
March 31, 2024

(Figures in AED) 2024 2023

16 Trade Accounts and Other Payables

Trade accounts payable	26,490,576	8,552,827
Provision for marketing expense	11,924,377	8,660,132
Accrued expenses	1,506,038	1,007,436
Provision for leave salary and air fare	614,557	464,983
VAT payable	303,775	326,047
Due to employees	334,044	55,584
Advance from customers	109,364	399,613
	<u>41,282,731</u>	<u>19,466,622</u>

17 Term loans

Bank loans	1,041,664	1,134,572
Vehicle loan	43,791	68,799
	<u>1,085,455</u>	<u>1,203,371</u>

The above loans are classified as under :

Within one year	<u>108,545</u>	<u>121,739</u>
More than one year	<u>976,910</u>	<u>1,081,632</u>

The bank loan is jointly owned by the Company and its shareholder M/s LT Foods Holdings ME Limited (formerly known as Sona Global).

Bank loan is secured against the following:

- i) Assignment of rights, title and interest in the purchase agreement i.e. Lien on property no. 706 and 707, BB2 Mazaya Business Avenue, Jumeirah Lakes Towers, Dubai registered under name of M/s LT Foods Holdings Me Limited (formerly known as Sona Global Limited).
- ii) Two undated cheques to cover three installments of principal and interest, one undated cheque for the total amount of loan plus interest and one undated signed cheque in favour of the Government of Dubai land department to cover the fee to register the mortgage.
- iii) Power of attorney is in the favour of bank duly notarized by the Dubai Public Notary.

18 Employees' End of Service Benefits

Balance at the beginning of the year	360,443	261,450
Provision for the year	<u>129,980</u>	<u>98,993</u>
Balance at the end of the year	<u>490,423</u>	<u>360,443</u>



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(Figures in AED)	2024	2023
19 Share Capital		
1,000 shares of AED 1,000 each	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

20 Transactions with Related Parties

The Company, in the normal course of business carries out transactions with parties that fall within the definition of related party contained in the International Financial Reporting Standards for Small and Medium-sized Entities. Significant transactions with related parties are as under.

Purchases from Ultimate Parent Company	129,036,449	90,937,803
Purchases from Associate	148,882	419,806
Rent paid to Shareholder	192,000	192,000
Directors' remuneration	720,000	720,000
Net funding from shareholder	98,978	7,397,206
Repayment of the advances received from associate	Nil	7,850,924
Net Movement in advances to Director	(31,421)	31,421

Related party balances as at the year end are classified as under:

Related Party	Classification		
LT Foods Limited	Trade accounts payable (Note 16)	26,464,536	8,535,819
Raghunath Agro Indus	Trade accounts payable (Note 16)	17,008	17,008
Nature Bio Foods	Advance to Associate (Note 12)	7,707	7,707
LT Foods Holdings ME Limited (formerly known as Sona Global Limited)	Shareholder's account (Equity)	12,698,983	12,600,005
Mr. Gursajan Arora	Advance to Director (Note 12)	Nil	31,421

21 Contingent Liabilities

Capital commitments	Nil	42,000
	<u>Nil</u>	<u>42,000</u>

Note: The capital commitment was relating to the remaining cost of furniture fitouts and installation of furniture and fixtures which was completed on 29 March 2024.

Except for the above and ongoing commitments in the normal course of business against which no loss is expected, there are no other known contingent liabilities existing at the balance sheet date.

22 Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.



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(Figures in AED) 2024 2023

22 Financial Risk Management (Continued)

(a) Credit Risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk of the Company arises from cash with banks, trade debts, investments, loans and advances and other receivables.

The maximum exposure to credit risk at the end of the reporting period

trade accounts receivables	39,189,548	25,946,089
Other receivable	1,243,132	155,260
Cash at bank	<u>3,590,760</u>	<u>206,763</u>
	<u>44,023,440</u>	<u>26,308,112</u>

(b) Interest Rate Risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate due to change in market interest rates.

At the statement of financial position date, the interest rate profile of the Company's significant interest bearing financial instruments was:

Term loan	1,041,664	1,134,572
Vehicle loan	<u>43,791</u>	<u>68,799</u>
Net exposure	<u>1,085,455</u>	<u>1,203,371</u>

(c) Currency Risk

The Company's substantial assets and liabilities are denominated in Arab Emirates Dirhams or in United States Dollars to which the Arab Emirate Dirham is fixed, hence there is no material exchange rate risks.

At the balance sheet date, since there was no material exposure to currencies other than United States Dollars, net profits for the year is not materially sensitive to currency risks.

(d) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk may results from the inability to sell a financial assets quickly at close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available, to meet any future commitments. Exposure to liquidity risk at the end of the reporting period is as below:

Trade accounts and other payable	<u>41,173,367</u>	<u>19,067,009</u>
	<u>41,173,367</u>	<u>19,067,009</u>

23 Subsequent Events After The Reporting Date

There is no significant events occurred after the balance sheet date, which require disclosures in the financial statements.



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24 Rounding Off of Figures

All figures have been rounded off to the nearest UAE Dirhams.

25 Comparative Figures

Certain prior year figures have been regrouped to conform with the presentation of the current year.

These financial statements were approved by the Board of Directors on May 10, 2024 and signed on their behalf by:



Mr. Gursajan Arora
Director



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