

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

Financial Statements 31 MARCH 2023

# مؤسسة النداء لتدقيق الحسابات

AL NEDAA AUDITING  
ACCOUNTANTS

هاتف : ٥٦٨٧٢٧٢ - ٠٦ ، فاكس : ٥٦٨١٧١٥ - ٠٦

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# محاسبون قانونيون ومدققو حسابات

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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 2023 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended 31 MARCH 2023 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 2023 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 Amin

Registration No-440  
Place: - Sharjah  
Date: - 01/05/2023





**MOTHERSON TECHNO TOOLS MIDEAST (FZE)**  
**SHARJAH AIRPORT INTERNATIONAL FREE ZONE (U.A.E)**  
**STATEMENT OF FINANCIAL POSITION AS ON 31 MARCH 2023**

	NOTES	2023 US\$	2022 US\$
<b><u>ASSETS</u></b>			
<b><u>NON CURRENT ASSETS</u></b>			
Property, Plant & Equipment	4	3,433	2,636
Right of use asset	5	170,172	181,084
<b>TOTAL NON CURRENT ASSETS</b>		<b>173,605</b>	<b>183,720</b>
<b><u>CURRENT ASSETS</u></b>			
Inventories		108,219	120,920
Trade & other receivable	6	801,758	775,612
Other current assets	7	66,275	55,859
Cash & cash equivalents	8	2,664,233	2,389,450
		<b>3,640,485</b>	<b>3,341,841</b>
<b>TOTAL ASSETS</b>		<b>3,814,090</b>	<b>3,525,561</b>
<b><u>LIABILITIES &amp; EQUITY</u></b>			
<b><u>NONCURRENT LIABILITIES</u></b>			
Gratuity provision		38,612	33,430
Lease liability	9	162,962	176,346
		<b>201,574</b>	<b>209,776</b>
<b><u>CURRENT LIABILITIES</u></b>			
Lease liability	9	11,917	11,455
Trade & other payables	10	341,350	333,813
Short term provisions	12	2,335	10,496
		<b>355,602</b>	<b>355,764</b>
<b>TOTAL LIABILITIES</b>		<b>557,176</b>	<b>565,540</b>
<b><u>EQUITY</u></b>			
Share capital		40,984	40,984
surplus carried forward		3,215,930	2,919,037
<b>TOTAL EQUITY</b>		<b>3,256,914</b>	<b>2,960,021</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>3,814,090</b>	<b>3,525,561</b>

These financial statements on pages 4 to 20 were approved on 01/05/2023.

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 2023**

		01.04.2022	01.04.2021
		To	To
	NOTES	31.03.2023	31.03.2022
		US\$	US\$
<b><u>INCOME</u></b>			
Sales		1,954,704	1,515,354
Cost of sales	13	(1,025,927)	(748,517)
		-----	-----
Gross profit		928,777	766,837
Other Income	14	47,247	57,297
		-----	-----
		976,024	824,134
		-----	-----
<b><u>EXPENSES</u></b>			
Distribution expenses		63,161	52,735
Administration expenses	15	599,952	511,781
Finance charges		3,649	6,130
Depreciation	4	12,369	23,133
		-----	-----
		679,131	593,779
		-----	-----
PROFIT/LOSS FOR THE YEAR		296,893	230,355
<b><u>OTHER COMPREHENSIVE INCOME</u></b>		-	-
		-----	-----
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		296,893	230,355
		-----	-----

These financial statements on pages 4 to 20 were approved on 01/05/2023

  
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 2023**

	01.04.2022 To 31.03.2023 US\$	01.04.2021 To 31.03.2022 US\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit for the year	296,893	230,355
Adjustment for:		
Depreciation	12,369	23,133
Finance charges	3,649	6,130
Movement in gratuity provision	(2,979)	9,794
Provision for Doubtful Debts	-	7,959
<b>PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>309,932</b>	<b>277,371</b>
Changes in operating assets and liabilities:		
(Increase)/Decrease in inventory	12,701	(43,561)
(Increase)/Decrease in trade & other receivables	(26,146)	(319,432)
(Increase)/Decrease in other current assets	(10,416)	71,741
Increase/(Decrease) in trade & other Payables	(5,385)	118,694
Cash Generated from Operations	<b>(29,246)</b>	<b>(172,558)</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES-A</b>	<b>280,686</b>	<b>104,813</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	(2,253)	(2,056)
Right of use assets	-	(26,044)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES-B</b>	<b>(2,253)</b>	<b>(28,110)</b>
Finance Charges Paid	(3,649)	(6,130)
Inter Corporate Deposits Received/(Granted)	-	500,000
<b>NET CASH FLOW FROM FINANCING ACTIVITIES-C</b>	<b>(3,649)</b>	<b>493,870</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS --- (A+B+C)</b>	<b>274,784</b>	<b>570,573</b>
Cash and cash equivalents at the beginning of the year	2,389,450	1,818,877
Cash and cash equivalents at the Closing of the year	<b>2,664,233</b>	<b>2,389,450</b>

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 2023**

<b>Year to 31st March 2023</b>	<b><u>Share Capital</u> <u>US\$</u></b>	<b><u>Surplus C/F</u> <u>US\$</u></b>	<b><u>Total</u> <u>US\$</u></b>
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
<b>Year to 31 March 2022</b>	<b><u>Share Capital</u> <u>US\$</u></b>	<b><u>Surplus C/F</u> <u>US\$</u></b>	<b><u>Total</u> <u>US\$</u></b>
Balance at 1st April 2021	40,984	2,688,682	2,729,666
Net Profit for the year	-	230,355	230,355
Dividend Paid	-	-	-
Balance at 31st March 2022	40,984	2,919,037	2,960,021

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 2023**

1. **STATUS**

This company is established since 18<sup>th</sup> 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 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023 (Previous period 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022) 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 2023**

**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 average cost 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 2023**

**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 2023**

**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 2023**

**4. ASSETS- NON CURRENT**

**ASSETS**

	31.03.2023	31.03.2022
	<u>US\$</u>	<u>US\$</u>
Property, Plant & Equipment	3,433	2,636
Investments (FDR)	-	-
	-----	-----
	3,433	2,636
	-----	-----

	COMPUTER & OFFICE EQUIPMENT	FURNITURE & FIXTURE	VEHICLE	TOTAL  US\$
<b>Year to 31st March 2023</b>				
<b><u>COST</u></b>				
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
	-----	-----	-----	-----
<b><u>DEPRECIATION</u></b>				
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 at 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 2023**

Year to 31 March 2022	COMPUTER & OFFICE EQUIPMENT	FURNITURE & FIXTURE	VEHICLE	TOTAL USS
<b><u>COST</u></b>				
As at 01.04.2021	15,442	26,373	75,795	117,610
Additions during the year	1,539	527		2,066
Disposals/Transfers during the year	-	-	-	-
As at 31.03.2022	16,981	26,900	75,795	119,676
<b><u>DEPRECIATION</u></b>				
As at 01.04.2021	14,226	26,160	68,433	108,819
For the year	789	70	7,362	8,221
Disposals/Transfers	-	-	-	-
As at 31.03.2022	15,015	26,230	75,795	117,040
Net book Value as on 31.03.2022	1,966	670	-	2,636



**MOTHERSON TECHNO TOOLS MIDEAST (FZE)**  
**SHARJAH INTERNATIONAL AIRPORT FREE ZONE (U.A.E)**  
**NOTES TO THE FIANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**5. RIGHT OF USE ASSET**

	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b><u>US\$</u></b>	<b><u>US\$</u></b>
<b>Gross carrying amount</b>		
Opening gross carrying amount /deemed cost	207,584	181,540
Add: Additions during the year	-	26,044
Less: Deletions during the year	-	-
	<hr/>	<hr/>
<b>Closing gross carrying amount</b>	<b>207,584</b>	<b>207,584</b>
	<hr/>	<hr/>
<b>Accumulated depreciation:</b>		
Opening balance	26,500	11,588
Add: Depreciation for the year	10,912	14,912
Less: Deletions during the year	-	-
	<hr/>	<hr/>
<b>Closing accumulated depreciation</b>	<b>37,412</b>	<b>26,500</b>
	<hr/>	<hr/>
<b>Net carrying amount</b>	<b>170,172</b>	<b>181,084</b>
	<hr/>	<hr/>

**6. TRADE & OTHER RECEIVABLES**

	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b><u>US\$</u></b>	<b><u>US\$</u></b>
Trade Receivables	815,707	791,976
Due to associates Companies	944	-
Less : Provision for doubtful debts	(16,364)	(16,364)
Others Receivables:	-	-
Staff Advances	-	-
Creditors Debit Balance	-	-
Other Receivables	1,471	-
	<hr/>	<hr/>
	<b>801,758</b>	<b>775,612</b>
	<hr/>	<hr/>

**7. OTHER CURRENT ASSETS**

	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b><u>US\$</u></b>	<b><u>US\$</u></b>
Security Deposits	14,472	13,929
Inter Corporate Deposit	-	-
Accrued Interest there on ICD	-	-
Prepayments	20,027	21,572
Other receivables	31,776	20,358
	<hr/>	<hr/>
	<b>66,275</b>	<b>55,859</b>
	<hr/>	<hr/>





**MOTHERSON TECHNO TOOLS MIDEAST (FZE)**  
**SHARJAH INTERNATIONAL AIRPORT FREE ZONE (U.A.E)**  
**NOTES TO THE FIANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

<b>8. <u>CASH &amp; CASH EQUIVALENTS</u></b>	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b><u>US\$</u></b>	<b><u>US\$</u></b>
Cash in Hand	409	2,874
Cash in Bank:		
Current Account	2,663,824	2,386,576
Fixed Deposits	-	-
Payment In Transit	-	-
	<b>2,664,233</b>	<b>2,389,450</b>
	<b>-----</b>	<b>-----</b>
<b>9. <u>LEASE LIABILITIES</u></b>	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b><u>US\$</u></b>	<b><u>US\$</u></b>
<u>Lease liability</u>		
- Current	11,917	11,455
- Non-Current	162,962	176,346
	<b>174,879</b>	<b>187,801</b>
	<b>-----</b>	<b>-----</b>
<b>10. <u>TRADE &amp; OTHER PAYABLES</u></b>	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b><u>US\$</u></b>	<b><u>US\$</u></b>
Trade payables	62,947	219,254
Others payables:		
Due to associates companies (Note 11)	249,135	96,828
Expenses Payable	29,268	17,731
Debtors credit balance	-	-
Bills Payable	-	-
	<b>341,350</b>	<b>333,813</b>
	<b>-----</b>	<b>-----</b>
<b>11. <u>DUE TO ASSOCIATES CO'S</u></b>	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b><u>US\$</u></b>	<b><u>US\$</u></b>
Motherson Techno Tools Ltd	85,706	14,315
Sumitomo Electric Industries	163,429	82,513
	<b>249,135</b>	<b>96,828</b>
	<b>-----</b>	<b>-----</b>



**MOTHERSON TECHNO TOOLS MIDEAST (FZE)**  
**SHARJAH INTERNATIONAL AIRPORT FREE ZONE (U.A.E)**  
**NOTES TO THE FIANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

Transaction during the year with related parties are as follows:

	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b><u>US\$</u></b>	<b><u>US\$</u></b>
Sale	(1,131)	-
Purchase	789,671	633,759
Payment made to Associates	(736,269)	(519,410)
Payment Received from Associates	944	-

**12. SHORT TERM PROVISIONS**

	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b><u>US\$</u></b>	<b><u>US\$</u></b>
Provision for leave salary	2,335	10,496
	-----	-----
	<b>2,335</b>	<b>10,496</b>
	-----	-----

**SHARE CAPITAL**

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

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





**MOTHERSON TECHNO TOOLS MIDEAST (FZE)**  
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<b>13. <u>COST OF SALES</u></b>	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b><u>US\$</u></b>	<b><u>US\$</u></b>
Opening Stock	120,920	77,359
Purchase	898,253	728,304
Freight inward, customs duty etc.	114,973	63,774
	-----	-----
	1,134,146	869,437
Less: Closing Stock	(108,219)	(120,920)
	-----	-----
	<b>1,025,927</b>	<b>748,517</b>
	-----	-----
<b>14. <u>ADMINISTRATIVE EXPENSES</u></b>	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b><u>US\$</u></b>	<b><u>US\$</u></b>
Staff Salaries	232,324	187,768
Legal & Professional Charges	247,564	204,392
Management Consultancy	16,221	6,971
Other Administrative Expenses	103,814	112,650
Rent Expense	29	-
	-----	-----
	<b>599,952</b>	<b>511,781</b>
	-----	-----
<b>15. <u>OTHER INCOME</u></b>	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b><u>US\$</u></b>	<b><u>US\$</u></b>
Miscellaneous Income	14,198	21,273
Interest Income	-	12,979
Commission	-	17,272
Exchange Fluctuation Gain	33,049	5,773
	-----	-----
	<b>47,247</b>	<b>57,297</b>
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**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)**  
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**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 42.07 % of trade receivables were due from six customers (previous year 56.13 % due from six customers).

There are no significant

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



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**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

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## محاسبون قانونيون ومدققو حسابات