



Sona Global Limited
Financial Statements
March 31, 2023

Sona Global Limited
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March 31, 2023

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Independent Auditor's Report

The Shareholder of Sona Global Limited

Report on the Audit of the Financial Statement

Opinion

We have audited the financial statements of Sona Global Limited, ("the Company"), which comprise of the statement of financial position as at March 31, 2023 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 Sona Global Limited as at March 31, 2023, 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.

Other Matters

These financial statements of the company are prepared on a standalone basis and separate consolidated financial statement are prepared which includes the operation of its subsidiaries.

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.

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.

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

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.

Report on Other Legal and Regulatory Requirements

We also confirm that in our opinion proper books of accounts have been kept by the Company and the contents of the report of the Director and the Company records which relates to these financial statements are in agreement with the books of accounts. We have obtained all the information and explanations we required for the purpose of our audit and to the best of our knowledge and belief, are not aware of any violations of the Offshore Companies Regulations of Jebel Ali Free Zone of 2018 as amended or the Memorandum of Association of the Company have occurred during the year which would have had a material effect on the business of the Company or on its financial position.

Affinix A A S Auditors



Abeer Altaf Syed
Registration number : 1148
Dubai, United Arab Emirates
May 13, 2023



Sona Global Limited
Statement of Comprehensive Income
Year Ended March 31, 2023

(Figures in AED)	Note	2023	2022
Revenue	5	192,000	192,000
General and administration expenses	6	(197,366)	(192,014)
Finance costs	7	(263)	Nil
Loss for the year		<u>(5,629)</u>	<u>(14)</u>

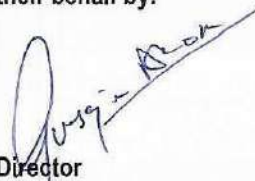
The accompanying notes form an integral part of the financial statements.



Sona Global Limited
Statement of Financial Position
As at March 31, 2023

(Figures in AED)	Note	2023	2022
ASSETS			
Current Assets			
Cash and cash equivalents	8	129,548	65,811
Other receivable and prepayments	9	17,800	17,800
Total Current Assets		<u>147,348</u>	<u>83,611</u>
Non-Current Assets			
Investment in subsidiary	10	1,000,000	1,000,000
Investment property	11	683,542	797,609
Long term receivable	12	12,600,005	5,202,800
Total Non-Current Assets		<u>14,283,547</u>	<u>7,000,409</u>
Total Assets		<u>14,430,895</u>	<u>7,084,020</u>
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts and other payable	13	26,325	14,532
Total Current Liabilities		<u>26,325</u>	<u>14,532</u>
Equity			
Share capital	14	13,290,000	6,520,000
Share premium	15	570,711	Nil
Retained earnings		543,859	549,488
Total Equity Attributable to the Shareholder		<u>14,404,570</u>	<u>7,069,488</u>
Total Liabilities and Equity		<u>14,430,895</u>	<u>7,084,020</u>

These financial statements were approved by the Board of Directors on May 13, 2023 and signed on their behalf by:


 Director



Sona Global Limited
Statement of Cash Flows
Year Ended March 31, 2023

(Figures in AED)	2023	2022
Cash Flow from Operating Activities		
Loss for the year	(5,629)	(14)
<u>Adjustments for:</u>		
Depreciation of investment properties	114,067	114,067
<u>Changes in operating assets and liabilities</u>		
Increase in account and other payable	11,793	1,327
Net cash generated from operating activities	<u>120,231</u>	<u>115,380</u>
Cash Flow from Financing Activities		
Additional share capital	6,770,000	Nil
Share premium	570,711	Nil
Net funding from subsidiary	<u>(7,397,205)</u>	<u>(115,380)</u>
Net cash used in financing activities	(56,494)	(115,380)
Net change in cash and cash equivalents	63,737	Nil
Cash and cash equivalents at beginning of the year	<u>65,811</u>	<u>65,811</u>
Cash and cash equivalents at end of the year	<u><u>129,548</u></u>	<u><u>65,811</u></u>



The accompanying notes form an integral part of the financial statements.

Sona Global Limited

Notes to the Financial Statements

March 31, 2023

1 Legal Status, Shareholder, Management and Business Activity

Sona Global Limited is an Offshore Company with Limited Liability formed in accordance with the provisions of the Offshore Companies Regulations of Jebel Ali Free Zone of 2018 as amended and registered under registration number OF-1027 in the Emirate of Dubai.

The registered address of the Company is P.O. Box 413383, Dubai, United Arab Emirates.

The Company is a wholly owned subsidiary of L.T.Foods Limited, India.

On May 30, 2022, the company issued additional shares to LT Foods Limited at AED 100 per share:

Name of Shareholder	Number of shares	Percentage of shares	Amount in (AED)
LT Foods Limited	67,700	100%	6,770,000
Total	67,700	100%	6,770,000

The Company is managed by its Board of Directors.

The Company is licensed to engage in the activities of general trading, owning of properties and acquisition of shares in companies.

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 judgments, 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 period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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 to the carrying amounts of assets and liabilities within the next financial period are as explained in Note 3.



2 Basis of Preparation of Financial Statements (Continued)

The Company's investment in subsidiary are not consolidated in the preparation of these financial statements. These financial statements of the Company are prepared on a stand alone basis with the investment in subsidiary stated at cost.

The consolidated financial statements are prepared at the ultimate parent level.

3 Summary of Significant Accounting Policies

Revenue Recognition

Rental income from investment property leased under an operating lease is recognised on a straight line basis over the lease term.

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.

Investment Properties

Investment property is property (land or a building, part of a building, or both) held by the owner or by the lessee under a finance lease to earn rentals or for capital appreciation or both.

Investment property is measured at cost at initial recognition. The cost of purchased investment property comprises its purchase price and any directly attributable expenditure and other transactions costs. If payment is deferred beyond normal credit terms, the cost is the present value of all future payments.

After initial recognition investment property whose fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value through profit or loss at each reporting date. All other investment property is accounted for as property, plant and equipment using the cost depreciation-impairment model.

The investment properties are depreciated using the straight line method as follows:

Property	15 years
Property improvement	4 years

The gain or loss arising on the disposal or retirement of an item of investment property 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.

Investments

Subsidiary

Investment in subsidiary represents investments in entities over which the Company has the power to control, through governing the investee's financial and operating policy decisions so as to obtain benefits from its activities. Investments in subsidiaries are accounted for at cost less any accumulated impairment losses. Dividend income from investments in subsidiaries is recognised when the Company's right to receive payment has been established and is included in other income.



3 Summary of Significant Accounting Policies (Continued)

Taxes (Continued)

Value Added Tax: (Continued)

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.

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

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.

Classification of Investment Properties

The Company determines whether a property is classified as an investment property or property and equipment. Investment properties comprises of, which is not occupied substantially for use by, or operations of the Company, nor for the ordinary course of business, but are held primarily to earn rental income and capital appreciation or where the intention of the Company is not yet clear.



Sona Global Limited**Notes to the Financial Statements****March 31, 2023****4 Significant Judgments in Applying the Accounting Policies (Continued)****Classification of Properties**

In the process of classifying properties, management has made various judgments. Judgment is needed to determine whether a property qualifies as an investment property, property, plant and equipment and / or property held for sale. The Company develops criteria so that it can exercise that judgment consistently in accordance with the definitions of investment property, property, plant and equipment and property held for sale. In making its judgment, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 2, IAS 16 and IAS 40, and in particular, the intended usage of property as determined by the management.

Key Sources of Estimation Uncertainty

- Useful lives of investment property

The Company determines the estimated useful lives and related depreciation and amortization charges for its investment property. Any changes to the estimated useful life would impact the charge for the year. Such an evaluation requires significant judgment.

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.

(Figures in AED)

	2023	2022
5 Revenue		
Rental income from investment property	192,000	192,000
	<u>192,000</u>	<u>192,000</u>
6 General and Administration Expenses		
Depreciation of investment property	114,067	114,067
Service charges	60,000	60,000
Legal and professional	23,299	17,947
	<u>197,366</u>	<u>192,014</u>
7 Finance Cost		
Bank charges	263	Nil
	<u>263</u>	<u>Nil</u>
8 Cash and Cash Equivalents		
Balance in local currency account	129,548	65,811
	<u>129,548</u>	<u>65,811</u>
9 Other Receivable and Prepayments		
Deposits	9,000	9,000
Prepayment	8,800	8,800
	<u>17,800</u>	<u>17,800</u>

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Sona Global Limited

Notes to the Financial Statements

March 31, 2023

(Figures in AED)

2023

2022

15 Share Premium

The Company has a share premium of AED 570,711, which represents the amount received from the shareholder in excess of nominal value of the issued share capital of the subsidiary. The excess amount received is considered as capital reserve and cannot be distributed as dividends.

16 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.

Rental income received from subsidiary	192,000	192,000
Net funding to subsidiary	(7,397,205)	(115,380)

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

Related Party	Classification		
LT Foods Middle East DMCC	Due from subsidiary (Note 12)	12,600,005	5,202,800
LT Foods Limited	Share premium (Equity)	570,711	Nil

17 Contingent Liabilities

Except for the 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.

18 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.

(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 and other receivables.

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

Other receivable	9,000	9,000
Cash and cash equivalents	129,548	65,811
	<u>138,548</u>	<u>74,811</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. The Company's income and operating cash flows are substantially independent of the changes in market interest rates as the Company has no significant interest bearing assets or liabilities.



Sona Global Limited
Notes to the Financial Statements
March 31, 2023

(Figures in AED) 2023 2022

18 Financial Risk Management (Continued)

(c) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk may result from the inability to sell a financial asset 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.

Accrued expenses	26,325	14,532
	<u>26,325</u>	<u>14,532</u>

(d) Currency Risk

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in UAE Dirhams.

19 Subsequent Events After The Reporting Date

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

20 Rounding Off of Figures

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

21 Comparative Figures

Certain of the 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 13, 2023 and signed on their behalf by:


Director

