Vega Industries Australia Pty Ltd

ABN 92626755137

Annual Report - 31 March 2024

Vega Industries Australia Pty Ltd
Directors' report
31 March 2024

The directors present their report, together with the financial statements, on the company for the year ended 31 March 2024.

Directors
The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Paryank Shah (Appointed on 12/06/2018)
Steven James Roberts (Appointed 26/03/2020)

Principal activities
During the financial year the principal continuing activity of the company is distribution of steel and alloy casting and related component.

Dividends
No dividends has been declared or paid during the financial year.

Review of operations
The profit for the company after providing for income tax amounted to $802,841 (31 March 2023: Profit $691,616).

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 31 March 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Environmental regulation
The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Shares under option
There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of the company issued on the exercise of options during the year ended 31 March 2024 and up to the date of this report.

Indemnity and insurance of officers
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable.

During the financial year, the company has not paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

Rounding of amounts
The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Paryank Shah
Director

3 May 2024
Sydney

Auditor's Independence Declaration

To those charged with the governance of Vega Industries Australia Pty Ltd.

As auditor for the audit of Vega Industries Australia Pty Ltd for the year ended 31 March 2024, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd

Rafay Nabeel
Director

3 May 2024

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Vega Industries Australia Pty Ltd
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General information

The financial statements cover Vega Industries Australia Pty Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Vega Industries Australia Pty Ltd's functional and presentation currency.

Vega Industries Australia Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Level 16 1 Market Street SYDNEY NSW 2000	Level 16 1 Market Street SYDNEY NSW 2000

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 3 May 2024. The directors have the power to amend and reissue the financial statements.

Vega Industries Australia Pty Ltd
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2024

	Note	2024	2023
		$	$
Revenue		**63,943,959**	**74,729,466**
Cost of sales		(56,742,335)	(67,907,161)
Gross Profit		**7,201,624**	**6,822,305**
Other income	3	55,116	217,872
Expenses			
General and administrative expenses	4	(1,390,985)	(1,284,079)
Transportation expense		(4,713,561)	(4,763,405)
Finance costs		(5,279)	(4,670)
Profit before income tax expense		1,146,915	988,023
Income tax expense	5	(344,074)	(296,407)
Profit after income tax expense for the year attributable to the owners of Vega Industries Australia Pty Ltd		**802,841**	**691,616**
Other comprehensive income for the year, net of tax		**-**	**-**
Total comprehensive income for the year attributable to the owners of Vega Industries Australia Pty Ltd		**802,841**	**691,616**

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Vega Industries Australia Pty Ltd
Statement of financial position
As at 31 March 2024

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	6	1,316,963	4,341,421
Trade and other receivables	7	7,282,631	4,943,173
Inventories	8	25,305,315	31,970,516
Total current assets		**33,904,909**	**41,255,110**
Non-current assets			
Computer		6,329	2,865
Vehicles		74,406	-
Deferred tax asset		61,462	8,505
Total non-current assets		**142,197**	**11,370**
Total assets		**34,047,106**	**41,266,480**
Liabilities			
Current liabilities			
Trade and other payables	9	31,885,833	39,903,812
Income tax provision	5	218,957	223,193
Total current liabilities		**32,104,790**	**40,127,005**
Total liabilities		**32,104,790**	**40,127,005**
Net assets		**1,942,316**	**1,139,475**
Equity			
Issued capital	10	100	100
Retained earnings	11	1,942,216	1,139,375
Total equity		**1,942,316**	**1,139,475**

The above statement of financial position should be read in conjunction with the accompanying notes

Vega Industries Australia Pty Ltd
Statement of changes in equity
For the year ended 31 March 2024

	Issued Capital $	Retained Earnings $	Total Equity $
Balance at 1 April 2022	100	447,759	447,859
Profit after income tax expense for the year	-	691,616	691,616
Total comprehensive income for the year	-	691,616	691,616
Balance at 31 March 2023	**100**	**1,139,375**	**1,139,475**

	Issued Capital $	Retained Earnings $	Total Equity $
Balance at 1 April 2023	100	1,139,375	1,139,475
Profit after income tax expense for the year	-	802,841	802,841
Total comprehensive income for the year	-	802,841	802,841
Balance at 31 March 2024	**100**	**1,942,216**	**1,942,316**

The above statement of changes in equity should be read in conjunction with the accompanying notes

Vega Industries Australia Pty Ltd
Statement of cash flows
For the year ended 31 March 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		68,216,745	80,317,632
Payments to suppliers and employees (inclusive of GST)		(70,863,855)	(76,382,022)
		(2,647,110)	**3,935,610**
Interest received		25,301	10,633
Interest and other finance costs paid		(5,279)	-
Tax paid		(344,074)	(241,191)
Net cash from operating activities	15	**(2,971,162)**	**3,705,052**
Cash flows from investing activities			
Purchase of plant and equipment		(83,111)	(3,619)
Net cash from operating activities		**(83,111)**	**(3,619)**
Net (decrease)/ increase in cash and cash equivalents		(3,054,273)	3,701,433
Effects of changes in exchange rate		29,815	(207,238)
Cash and cash equivalents at the beginning of the financial year		4,341,421	847,226
Cash and cash equivalents at the end of the financial year		**1,316,963**	**4,341,421**

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.
The following Accounting Standards and Interpretations are most relevant to the company:

Conceptual Framework for Financial Reporting (Conceptual Framework)
The company has adopted the revised Conceptual Framework from 1 April 2022. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the company's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities
The company has adopted AASB 1060 from 1 April 2022. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

Basis of preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Vega Industries Australia Pty Ltd's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the 1st day of the month of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Note 1. Significant accounting policies (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services
Revenue from a contract to provide services, if any, is recognised over time as the services are rendered based on a fixed price.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Contract assets
Contract assets are recognised when the company has transferred goods or services to the customer but where the company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	4 years
Vehicles	12 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained earnings.

Right of return assets
Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Note 1. Significant accounting policies (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 to 60 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories
Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'Weighted average' basis. Cost comprises of direct materials and delivery costs. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 1. Significant accounting policies (continued)

Trade and other payables
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 60 to 90 days of recognition.

Contract liabilities
Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions
Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts
The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Revenue from contracts with customers involving sale of goods
When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provision for impairment of inventories
The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Income tax
The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current tax provisions in the period in which such determination is made.

Note 3. Other income

	2024 $	2023 $
Foreign exchange gain	29,815	207,239
Interest Income	25,301	10,633
	55,116	**217,872**

Note 4. General and Administrative Expenses

	2024 $	2023 $
Legal and professional charges	171,983	257,207
Employee benefit expenses	364,602	246,474
Management fee	249,996	505,122
Audit fee	12,500	12,000
Travelling expense	293,647	150,089
Depreciation expenses	5,241	754
Other expenses	293,016	112,433
	1,390,985	**1,284,079**

Note 5. Taxation

Current Tax		
Current tax on profits in the period	376,006	292,405
Deferred Tax		
Origination of temporary timing differences	(31,932)	4,002
Income Tax Expense	**344,074**	**296,407**

Deferred tax assets and liabilities are offset when the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances after offset:

Deferred tax assets	(31,932)	(4,002)
	(31,932)	**(4,002)**

Relationship between tax expense and accounting profit

Profit before taxation	**1,146,915**	**988,023**
Add: Non-deductible expenses	145,099	258,102
Less: Amortisation expense	8,705	1,100
Less: Other deductable expenses	29,957	270,342
Taxable Income	**1,253,352**	**974,683**
Profit on ordinary activities multiplied by the standard rate of tax @ 30% (2023: 30%)	376,006	292,405
Total current tax	**376,006**	**292,405**

No change in the corporation tax rate has been announced by the Australian Tax Office for any upcoming period.

	2024 $	2023 $
Note 6. Cash and cash equivalents		
Cash at bank	1,316,963	4,341,421
	1,316,963	**4,341,421**

Note 7. Trade and other receivables

Trade receivables	7,194,201	4,943,173
Receivable from Vega Industries Middle East	88,430	-
	7,282,631	**4,943,173**

Note 8. Inventories

Finished goods	19,214,852	20,829,357
Stock in transit	5,125,982	9,816,760
Expense on inventory	964,481	1,324,399
	25,305,315	**31,970,516**

Note 9. Trade and other payables

Payable to Vega Industries Middle East	30,662,166	39,027,630
Advances from customers	485,363	-
Other payables	228,511	212,222
Tax liabilities	289,528	383,656
Payable to related undertaking	220,265	280,304
	31,885,833	**39,903,812**

Note 10. Issued capital

	2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	**100**	100	**100**	100

100% shares are owned by the Vega Industries Middle East.

Note 11. Retained earnings

	2024 $	2023 $
Retained profits at the beginning of the financial year	1,139,375	447,759
Profit after income tax expense for the year	802,841	691,616
Retained profits at the end of the financial year	**1,942,216**	**1,139,375**

Note 12. Remuneration of auditors

During the financial year the following fee was payable for services provided by Elderton Audit Pty Ltd , the auditor of the company:

	2024 $	2023 $
Audit services – Elderton Audit Pty Ltd		
Audit of the financial statements	**12,500**	**12,000**

Note 13. Commitments and Contingent liabilities

There are no known commitment or contingent liabilities of the company not disclosed and there are no legal, administrative or other proceedings pending that would materially affect its financial statements. (Nil:2023).

Note 14. Events after the reporting period

No matter or circumstance has arisen since 31 March 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 15. Reconciliation of profit after income tax to net cash from operating activities

	2024 $	2023 $
Profit after income tax expense for the year	**802,841**	**691,616**
Adjustments for:		
Exchange gain	(29,815)	207,239
Depreciation	5,241	754
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(2,339,458)	5,173,688
Decrease in inventories	6,665,201	3,720,743
Decrease/(increase) in deferred tax asset	(52,957)	4,002
Decrease/(increase) in other assets	-	-
Decrease in trade and other payables	(8,017,979)	(6,144,204)
Increase/(decrease) in provision for taxation	(4,236)	51,214
Net cash from operating activities	**(2,971,162)**	**3,705,052**

Note 16. Related Party

Significant balances at year end and transactions during the year with related parties are:

Balances – Receivables (Payables)			
Vega Industries Middle East	**Note 7**	88,430	568,341
Vega Industries Middle East	**Note 9**	(30,662,166)	(39,307,934)
Transactions with Related parties			
Vega Industries Middle East			
- Sales		-	563,681
- Purchases		51,891,324	69,365,317
- Management fee	**Note 4**	249,996	465,460
- Other expenses charged		115,366	-
- Loss reimbursed		109,263	-

Note 17. Controlling party

The parent company is Vega Industries Middle East FZC, incorporated in United Arab Emirates. The parent company owns 100% shares of the Company. The ultimate controlling party is AIA Engineering Limited, incorporated in India.

Vega Industries Australia Pty Ltd
Directors' declaration
31 March 2024

In the directors' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Vega Industries Australia Pty Ltd;
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 March 2024 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Paryank Shah
Director

3 May 2024
Sydney

Independent Audit Report to the members of Vega Industries Australia Pty Ltd

Report on the audit of the financial report

Opinion

We have audited the accompanying financial report of Vega Industries Australia Pty Ltd (the Company), which comprises the statement of financial position as at 31 March 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 31 March 2024 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the annual report but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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In preparing the financial report, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 Australian Auditing Standards 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the 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 a 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 report 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 report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd

Rafay Nabeel
Director
Perth

3 May 2024