Aksh Technologies (Mauritius) Limited

Financial Statements
Year ended
31 March 2024

Aksh Technologies (Mauritius) Limited

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Public Accountants and Consultants

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To the member of Aksh Technologies (Mauritius) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Aksh Technologies (Mauritius) Limited**, the "Company", which comprise the statement of financial position as at 31 March 2024, and the statement of comprehensive income, statement of changes in equity and 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 on pages 6 to 32 give a true and fair view of the financial position of the Company as at 31 March 2024 and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Mauritius Companies Act 2001.

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 Auditors' 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 22 in the financial statements, which indicates that the Company incurred a loss after tax of Rs 4,546,384 during the year ended 31 March 2024 and, as of that date, accumulated losses were Rs 30,276,689. As stated in Note 22, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon ("Other Information")

Management is responsible for the Other Information.

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

MANNICK & ASSOCIATES The Common Seal of Public Accountants

Independent auditors' report (Contd)
To the member of Aksh Technologies (Mauritius) Limited

Report on the Audit of the Financial Statements (Contd)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Mauritius Companies Act 2001, and for such internal control as management determines is necessary to enable the preparation of the 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgment 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 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.

Independent auditors' report (Contd)
To the member of Aksh Technologies (Mauritius) Limited

Report on the Audit of the Financial Statements (Contd)

Auditors' Responsibilities for the Audit of the Financial Statements (Contd)

- 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 management.

- Conclude on the appropriateness of management's 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 auditors' 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 auditors' 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 those charged with governance 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;

- we have obtained all the information and explanations we have required; and

- in our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

MANNICK & ASSOCIATES
The Common Seal of
Public Accountants

Independent auditors' report (Contd)
To the member of Aksh Technologies (Mauritius) Limited

Use of this Report

Our report is made solely to the member of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinion we have formed.

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MANNICK & ASSOCIATES
Public Accountants and Consultants

SOORUJ MANNICK, FCCA
Licensed by FRC
SOORUJ MANNICK FCCA

Date: 27.05.2024

Aksh Technologies (Mauritius) Limited

Statement of financial position as at 31 March

	Notes	2024 Rs	2023 Rs
ASSETS			
Non-current			
Plant and equipment	9	**959,514**	3,647,032
Deferred tax assets	16	**3,200,459**	3,200,459
Non-current assets		**4,159,973**	6,847,491
Current			
Inventories	10	**9,530,729**	8,311,153
Trade and other receivables	11	**25,741,911**	28,218,665
Cash and cash equivalents	12	**139,927**	272,123
Current assets		**35,412,567**	36,801,941
Total assets		**39,572,540**	43,649,432
EQUITY AND LIABILITIES			
EQUITY			
Stated capital	13	**50,000,000**	50,000,000
Accumulated losses		**(30,276,689)**	(25,730,305)
Total equity		**19,723,311**	24,269,695
LIABILITIES			
Current			
Lease liabilities	14	**-**	1,790,885
Trade and other payables	15	**19,849,229**	17,588,852
Current liabilities		**19,849,229**	19,379,737
Total liabilities		**19,849,229**	19,379,737
Total equity and liabilities		**39,572,540**	43,649,432

Approved by the Board of Directors on 27/05/2024 and signed on its behalf by:

Director

Aksh Technologies (M) Limited
The Common Seal of

The notes on pages 10 to 32 form an integral part of these financial statements.

Aksh Technologies (Mauritius) Limited

Statement of comprehensive income for the year ended 31 March

	Notes	2024 Rs	2023 Rs
Revenue		**15,722,922**	28,365,397
Direct costs	19	**(15,657,265)**	(25,824,217)
Gross profit		**65,657**	2,541,180
Administrative expenses	17	**(4,107,891)**	(3,509,436)
Operating loss		**(4,042,234)**	(968,256)
Other income		**-**	9,375
Finance costs	18	**(52,856)**	(593,375)
Foreign exchange losses		**(451,294)**	(1,375,708)
Loss before tax		**(4,546,384)**	(2,927,964)
Tax expense	16	**-**	-
Loss for the year		**(4,546,384)**	(2,927,964)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss		**-**	-
Items that will be reclassified subsequently to profit or loss		**-**	-
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income for the year		**(4,546,384)**	(2,927,964)

The notes on pages 10 to 32 form an integral part of these financial statements.

Aksh Technologies (Mauritius) Limited

Statement of changes in equity for the year ended 31 March

	Stated capital Rs	Accumulated losses Rs	Total Rs
At 01 April 2023	**50,000,000**	**(25,730,305)**	**24,269,695**
Loss for the year	**-**	**(4,546,384)**	**(4,546,384)**
Other comprehensive income for the year	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**(4,546,384)**	**(4,546,384)**
At 31 March 2024	**50,000,000**	**(30,276,689)**	**19,723,311**
At 01 April 2022	50,000,000	(22,802,341)	27,197,659
Loss for the year	-	(2,927,964)	(2,927,964)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(2,927,964)	(2,927,964)
At 31 March 2023	50,000,000	(25,730,305)	24,269,695

The notes on pages 10 to 32 form an integral part of these financial statements.

Aksh Technologies (Mauritius) Limited

Statement of cash flows for the year ended 31 March

	2024	2023
	Rs	Rs
Operating activities		
Loss before tax	**(4,546,384)**	(2,927,964)
Adjustment for:		
Depreciation	**2,775,398**	5,730,120
Gain on remeasurement under IFRS 16	**-**	313,416
Foreign exchange loss	**352,794**	1,375,708
Interest expense	**39,115**	267,913
Total adjustments	**3,167,307**	7,687,157
Changes in working capiltal:		
Change in inventories	**(1,219,576)**	(1,437,969)
Change in trade and other receivables	**2,476,755**	2,315,979
Change in trade and other payables	**1,907,582**	(447,690)
Net changes in working capital	**3,164,761**	430,320
Net cash from operating activities	**1,785,684**	5,189,513
Investing activities		
Purchase of plant and equipment	**(87,880)**	(128,444)
Net cash used in investing activities	**(87,880)**	(128,444)
Financing activities		
Payment of lease liabilities	**(1,830,000)**	(3,426,000)
Net cash used in financing activities*	**(1,830,000)**	(3,426,000)
Net change in cash and cash equivalents	**(132,196)**	1,635,069
Cash and cash equivalents at beginning of the year	**272,123**	(1,362,946)
Cash and cash equivalents at end of the year	**139,927**	272,123
Cash and cash equivalents made up of:		
Cash at bank (Note 12)	**139,927**	272,123
	139,927	272,123

**For reconciliation of liabilities arising from the financing activities, refer to Note 20.*

The notes on pages 10 to 32 form an integral part of these financial statements.

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2024

1. General information and statement of compliance with IFRS

Aksh Technologies (Mauritius) Limited, the "Company", was incorporated in the Republic of Mauritius on 05 October 2017 as a private company with liability limited by shares. The principal activity of the Company is to manufacture and sell fibre optic cables. The Company's registered office is C/o Anex Corporate Services Ltd, Ebene Tower, 52 Cybercity, Ebene 72201, Republic of Mauritius.

The financial statements of the Company have been prepared in accordance with IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

2. Application of new and revised IFRS

2.1 New and revised standards that are effective for the year beginning on 01 April 2023

In the current year, the following new and revised standards issued by the IASB became mandatory for the first time for the financial year beginning on 01 April 2023.

IFRS 17	Insurance contracts: Amendments to IFRS 17 Insurance Contracts
IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)
IFRS 17	Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendment to IFRS 17)
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
IAS 8	Definition of Accounting Estimates (Amendments to IAS 8)
IAS 1	Disclosure of Accounting Policies (Amendments to IAS 1 and Practice Statement 2)
IAS 12	International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)
IFRS for SMEs	International Tax Reform – Pillar Two Model Rules (Amendments to the IFRS for SMEs Standard)

Management has assessed the impact of these new and revised standards and concluded that none have an impact on these financial statements.

2.2 Standards, amendments to existing standards and interpretations that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new standards and amendments to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements, as applicable to the Company's activity, will be adopted in the Company's accounting policies for the first year beginning after the effective date of the pronouncements. Information on new standards and amendments to existing standards is provided below.

IAS 1	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
IAS 1	Non-current Liabilities with Covenants (Amendments to IAS 1)
IFRS 16	Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
IAS 7 and	
IFRS 7	Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
IAS 21	Lack of Exchangeability (Amendments to IAS 21)
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	Climate-related Disclosures

Management has yet to assess the impact of the above standards and amendments on the Company's financial statements.

3. Summary of accounting policies

3.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

3.2 Plant and equipment

All plant and equipment are initially recorded at cost less accumulated depreciation.

Depreciation is calculated on the straight line method to write down the cost of the assets to their residual values over their estimated useful lives as follows:

Machinery	20 %
Factory equipment	10 - 20 %
Machinery spare parts	10 - 20 %
Computer equipment	10 - 33 %
Other assets	20 %
Right-of-use assets	22%

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

3. Summary of accounting policies (Contd)

3.2 Plant and equipment (Contd)

Gains and losses on disposal of plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. Repairs and maintenance are expensed in the year in which they are incurred.

3.3 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average cost method. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. The Company has an inventory management in place overseeing and controlling the inventory movement and also the storage of its products. Where necessary, provision is made for obsolete and slow moving inventories.

3.4 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs, where appropriate.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit and loss (“FVTPL”)
- fair value through other comprehensive income (“FVTOCI”)

In the current year, the Company does not have any financial assets categorised as FVTPL and FVTOCI.

The classification is determined by both:

- the Company’s business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income, finance cost or other financial items, except for impairment of receivables which is presented within administrative expenses.

3. Summary of accounting policies (Contd)

3.4 Financial instruments (Contd)

Classification and initial measurement of financial assets (Contd)

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect their contractual cash flows; and

- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents and most of its receivables fall into this category of financial instruments.

Impairment of financial assets (Contd)

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss ("ECL") model'. Instruments within the scope of these requirements include mainly receivables.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

The Company makes use of a simplified approach in accounting for receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cashflows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its external indicators and forward-looking information to calculate the expected credit losses.

The Company writes off a financial asset when there is information indicating that the debtor is in severe difficulty and there is no realistic prospect of recovery. Receivables or other financial assets written off are still subject to recovery procedures based on legal advices.

3. Summary of accounting policies (Contd)

3.4 Financial instruments (Contd)

Classification and measurement of financial liabilities

The Company's financial liabilities include trade and other payables and lease liabilities.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequent measurement of financial liabilities

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.5 Foreign currency

Functional and presentation currency

The financial statements are presented in Mauritian Rupee ("MUR" or "Rs"), which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, together with other short-term, highly liquid investments maturing within 90 days from date of acquisition, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2024

3. Summary of accounting policies (Contd)

3.7 Trade receivables

Trade receivables are in respect of products sold in the ordinary course of business and are classified as current assets if settlement is expected within one year.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

3.8 Trade payables

Trade payables are in respect of services and products acquired in the ordinary course of business and are classified as current liabilities if payment is due within one year.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

3.9 Equity

Stated capital is determined using the nominal value of shares that have been issued.

Accumulated losses include the current and prior years' results as disclosed in the statement of comprehensive income.

3.10 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax, and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting years, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting year.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operation results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deffered tax liabilities are generally recognised in full.

The Company is subject to CSR and the contribution is at a rate of 2% on chargeable income of the preceding financial year. Effective 01 January 2019, the contribution to the Mauritius Revenue Authority must be at least 75% or reduced up to 50% if prior written approval of the National CSR Foundation is obtained.

No CSR has been recognised during the year.

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2024

3. Summary of accounting policies (Contd)

3.11 Revenue recognition

Revenue arises mainly from the sale of fibre optic cables.

To determine whether to recognise revenue, the Company ensures that the following 5 conditions are satisfied:

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations.
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised at a point in time, when the Company satisfies performance obligations by transferring the promised goods to its customers. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume debates, and value added tax.

Interest income is recognised on an accrual basis using the effective interest rate method.

3.12 Expense recognition

All expenses are accounted for on an accrual basis.

3.13 Post-employment benefits and short-term employee benefits

Employment related statutory comtributions are expensed to the statement of comprehensive income in the period in which they fall due.

The Company also made a monthly provision for Portable Retirement Gratuity Fund (PRGF) at the rate of 4.5% on the basic salary.

3.14 Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

3.15 Leases

The Company as a lessee

The Company makes the use of leasing arrangements principally for the provision of the factory and warehouse and related facilities. The rental contract is for two years and its renewal is at the discretion of the tenant. The Company assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

Notes to the financial statements

For the year ended 31 March 2024

3. Summary of accounting policies (Contd)

3.15 Leases (Contd)

Measurement and recognition of leases as a lessee

At the date of commencement of the lease, the Company recognises a right-of-use ("ROU") asset and a corresponding lease liability (right-of-use liability) for all lease arrangements under which it is a lessee, except for short-term leases and low value leases.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the leases. For short-term and low value leases, the Company recognises the lease payments as an expense on a straight-line basis over the term of the lease.

The lease arrangements include options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the date of commencement of the lease on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. For leases under which the rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate based on the information available at the date of commencement of the lease in determining the present value of lease payments. The incremental borrowing rate is determined based on the average market rate prevailing on the market for similar assets. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment as to whether it will exercise an extension or a termination option.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

3. Summary of accounting policies (Contd)

3.15 Leases (Contd)

Operating leases

All other leases are treated as operating leases. Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

3.16 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. At the time of the effective payment, the provision is deducted from the corresponding expenses.

All known risks at reporting date are reviewed in detail and a provision is made where necessary.

3.17 Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount.

3.18 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

4. Significant managements judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

Significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements are set out below.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. Management has considered those factors and has determined that the functional currency of the Company is the Mauritian rupee ("MUR" or "Rs").

Deferred tax assets

The extent to which the deferred tax asset can be recognised is based on assessement of the probability of the Company's future taxable income against which the deferred tax asset can be utilised.

4. Significant managements judgement in applying accounting policies and estimation uncertainty (Contd)

Significant management judgement (Contd)

Going concern

The continuing effect of the Coronavirus and the Russia-Ukraine conflict is adversely affecting the economic conditions regionally as well as globally.

The above events have a direct impact on the Company's importation costs, owing primarily to the elevated cost of freight.

The directors have considered the potential adverse impact of these events on the Company's activity and have exercised significant judgement in assessing that the preparation of these financial statements on a going concern basis is appropriate. In making this assessment, the directors have considered the Company's current and future performance, financial support from the holding company, the global economic conditions and the measures taken to contain the adverse impact.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives and residual values of plant and equipment

Management reviews its estimate of the useful lives and residual value of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain IT and testing equipment.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by market-driven changes that may reduce future selling prices.

Impairment of receivables

The Company uses the guidance of IFRS 9 to determine the degree of impairment of its receivables. Management considers a broader range of information when assessing credit risk and estimating the credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the receivables. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

5. Financial instrument risk

Risk management objectives and policies

The Company's activity exposes it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk, and liquidity risk.

The Company's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Company's financial performance. The Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up to date information systems.

The Company's financial assets and financial liabilities by category are summarised below:

	2024 Rs	2023 Rs
Financial assets		
Amortised cost		
Current		
Trade and other receivables*	**24,419,472**	27,509,810
Cash and cash equivalents	**139,927**	272,123
Total financial assets	**24,559,399**	27,781,933
Financial liabilities		
Amortised cost		
Current		
Lease liabilities	**-**	1,790,885
Trade and other payables**	**19,849,229**	17,162,653
Total financial liabilities	**19,849,229**	18,953,538

** Trade and other receivables exclude deposits, prepayments and VAT receivable.*
*** Trade and other payables exclude VAT payable.*

The most significant financial risks to which the Company is exposed are described below.

5.1 Market risk analysis

(i) Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rate.

The Company is exposed to foreign exchange risk arising from its currency exposure with respect to the United States Dollar ("USD").

Notes to the financial statements

For the year ended 31 March 2024

5. Financial instrument risk (Contd)

Risk management objectives and policies (Contd)

5.1 Market risk analysis (Contd)

(i) Foreign exchange risk (Contd)

The currency profile of the Company's financial assets and liabilities is as follows:

	Financial assets 2024 Rs	Financial liabilities 2024 Rs	Financial Assets 2023 Rs	Financial liabilities 2023 Rs
Mauritian rupee (MUR)	**24,559,399**	**4,838,617**	27,781,933	3,485,720
United States dollar (USD)	**-**	**15,010,612**	-	15,467,818
	24,559,399	**19,849,229**	27,781,933	18,953,538

Foreign currency sensitivity

The exchange rate for the year ended 31 March 2024 was as shown below:

	2024 Rs	2023 Rs
MUR/USD	**46.92**	45.5

The following table illustrates the sensitivity of loss and equity in regards to the Company's financial assets and financial liabilities and the MUR/USD exchange rate "all other things being equal".

It assumes the following percentage changes in the exchange rates for the year ended 31 March 2024:

	% change	
	2024	2023
MUR/USD	**3.12**	3.53

It assumes a 3.53% change for the MUR/USD exchange rate. This percentage has been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

If the MUR had strengthened against the USD by 3.12%, then this would have the following impact:

	2024 Rs	2023 Rs
Loss	**(468,331)**	(546,014)
Equity	**468,331**	546,014

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2024

5. Financial instrument risk (Contd)

Risk management objectives and policies (Contd)

5.1 Market risk analysis (Contd)

(i) Foreign exchange risk (Contd)

Foreign currency sensitivity(Contd)

If the MUR had weakened against the USD by 3.12%, then this would have the following impact:

	2024 Rs	2023 Rs
Loss	**468,331**	546,014
Equity	**(468,331)**	(546,014)

Interest rate sensitivity

Interest rate risk arises from the possibility that changes in interest rate will affect future cash flows or the fair values of the financial instruments.

The Company is exposed to change in interest rate on its bank balances. Any change in the interest rate would have a marginal impact on the Company's cash flows.

5.2 Credit risk analysis

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has, as far as it is practicable, adopted a policy of only dealing with creditworthy counterparties in order to reduce the risk of financial loss from defaults.

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2024 Rs	2023 Rs
Financial assets		
Trade and other receivables	**24,419,472**	27,509,810
Cash and cash equivalents	**139,927**	272,123
	24,559,399	27,781,933

Receivables include amount due from the shareholder for unpaid share capital of Rs 24,419,472 and for which the directors consider that no credit risk is associated. Further, the Company owes the shareholder an amount of Rs 15,010,612 at the reporting date and no recall for payment is anticipated until the unpaid share capital is fully funded.

The credit risk for the bank balances is considered negligible, since the counterparty is a reputable bank with high quality external credit ratings.

5.3 Liquidity risk analysis

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2024

5. Financial instrument risk (Contd)

Risk management objectives and policies (Contd)

5.3 Liquidity risk analysis (Contd)

Ultimate responsibility for liquidity risk management rests with the Board of Directors who also monitors the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate bank balances and relying on the financial support of its shareholder.

The following are the contractual maturities of financial liabilities:

31 March 2024	Carrying amount Rs	Contractual cash flows Rs	Less than 1 year Rs	More than 1 year Rs
Trade and other payables	**19,849,229**	**19,849,229**	**19,849,229**	**-**
Lease liabilities	**-**	**-**	**-**	**-**
	19,849,229	**19,849,229**	**19,849,229**	**-**

31 March 2023	Carrying amount Rs	Contractual cash flows Rs	Less than 1 year Rs	More than 1 year Rs
Trade and other payables	17,162,653	17,162,653	17,162,653	-
Lease liabilities	1,790,885	1,830,000	1,830,000	-
	18,953,538	18,992,653	18,992,653	-

6. Capital management policies and procedures

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to provide an adequate return to its shareholder and other stakeholders.

The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders.

The Company sets the amount of capital in proportion to its overall financing structure, that is, equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid, issue new shares, or sell assets to reduce debts.

Notes to the financial statements

For the year ended 31 March 2024

6. Capital management policies and procedures (Contd)

	2024 Rs	2023 Rs
Debt (i)	**-**	1,790,885
Less: cash and cash equivalents	**(139,927)**	(272,123)
Net debt	**-**	1,518,762
Equity (ii)	**19,723,331**	24,269,695
Total capital	**19,723,331**	25,788,457
Gearing ratio	**-**	6%

(i) Debt is defined as obligations under finance lease as detailed in Note 14.

(ii) Equity includes both capital and reserves.

7. Fair value measurement of financial instruments

The Company's financial assets and liabilities are measured at their carrying amounts, which approximate their fair values.

8. Leases

The Company makes the use of leasing arrangements principally for the provision of the factory and warehouse and related facilities. The rental contract is for two years and its renewal is at the discretion of the Company.

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected in the statement of financial position as a right-of-use assets and a lease liabilities. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liabilities and right-of-use assets. The Company classifies its right-of-use assets in a consistent manner to its plant and equipment (Note 9) and lease liabilties (Note 14).

Right-of-use assets

	2024 Rs	2023 Rs
At 01 April	**1,622,133**	4,806,939
Depreciation expense for the year	**(1,622,133)**	(2,780,800)
Adjustment on remeasured of the impact of IFRS 16 (Note 9)	**-**	(404,006)
At 31 March	**-**	1,622,133

Reconciliation of the lease liabilities is provided in Note 14 of these financial statements.

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2024

9. Plant and equipment

	Machinery	Factory equipment	Machinery spare parts	Computer equipment	Other assets (Note below)	Right-of-use assets	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Cost							
At 01 April 2023	**5,883,362**	**3,092,085**	**443,464**	**409,370**	**5,764,256**	**13,776,955**	**29,369,492**
Additions during the year	**-**	**87,880**	**-**	**-**	**-**	**-**	**87,880**
At 31 March 2024	**5,883,362**	**3,179,965**	**443,464**	**409,370**	**5,764,256**	**13,776,955**	**29,457,372**
Depreciation							
At 01 April 2023	**5,267,523**	**2,164,959**	**355,354**	**211,380**	**5,568,422**	**12,154,822**	**25,722,460**
Charge for the year	**526,795**	**353,941**	**41,936**	**34,759**	**195,834**	**1,622,133**	**2,775,398**
At 31 March 2024	**5,794,318**	**2,518,900**	**397,290**	**246,139**	**5,764,256**	**13,776,955**	**28,497,858**
Net book values							
At 31 March 2024	**89,044**	**661,065**	**46,174**	**163,231**	**-**	**-**	**959,514**

Other assets include costs incurred to enhance the production capacity of some machinery and factory equipment and are depreciated at a rate of 20% per annum.

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2024

9. Plant and equipment (Contd)

	Machinery	Factory equipment	Machinery spare parts	Computer equipment	Other assets	Right-of-use assets	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Cost							
At 01 April 2022	5,883,362	2,963,641	443,464	409,370	5,764,256	14,180,961	29,645,054
Remeasurement of lease contract	-	-	-	-	-	(404,006)	(404,006)
Additions during the year	-	128,444	-	-	-	-	128,444
At 31 March 2023	5,883,362	3,092,085	443,464	409,370	5,764,256	13,776,955	29,369,492
Depreciation							
At 01 April 2022	4,149,684	1,600,098	276,333	176,621	4,415,582	9,374,022	19,992,340
Charge for the year	1,117,839	564,861	79,021	34,759	1,152,840	2,780,800	5,730,120
At 31 March 2023	5,267,523	2,164,959	355,354	211,380	5,568,422	12,154,822	25,722,460
Net book values							
At 31 March 2023	615,839	927,126	88,110	197,990	195,834	1,622,133	3,647,032

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2024

10. Inventories

	2024 Rs	2023 Rs
Raw materials	**8,865,865**	7,646,263
Finished cables	**664,864**	664,890
	9,530,729	8,311,153

The cost of inventories expensed during the year amounted to **Rs 10,078,957** (2023: Rs 18,408,193) and is included in direct costs (Note 19).

11. Trade and other receivables

	2024 Rs	2023 Rs
Trade receivables (Note 11.1)	**-**	3,090,338
Security deposit	**669,122**	669,122
Other receivables (Note 11.3)	**25,072,789**	24,459,205
Total	**25,741,911**	28,218,665

11.1 The average credit year is 30 days and no interest is charged on trade receivable for overdue balances. The Company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all its receivables as these items do not have a significant financing component. At the reporting date, the directors have assessed the trade debtor for potential impairment signs and concluded that no provision is required as the amount is receivable within one year.

11.2 An analysis of unimpaired trade receivable that is past due is given below:

	2024 Rs	2023 Rs
31-60 days	**-**	3,090,338

11.3 Other receivables consist principally of unpaid capital of Rs 24,419,472. The directors consider that the unpaid capital has not suffered any impairment loss and hence no provision for impairment loss is warranted in the financial statements.

12. Cash and cash equivalents

	2024 Rs	2023 Rs
Cash at bank:		
- MUR	**132,692**	272,123
- Others	**7,235**	-
Total	**139,927**	272,123

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2024

13. Stated capital

The Company has in issue 5,000,000 ordinary shares of Rs 10 each, as detailed below:

	2024 Rs	2023 Rs
Paid-up capital	**25,580,528**	25,580,528
Unpaid capital (Note 11)	**24,419,472**	24,419,472
Total	**50,000,000**	50,000,000

14. Lease liabilities

	2024 Rs	2023 Rs
Lease liabilities (Note (i))	**-**	1,790,885
Total	**-**	1,790,885
Total lease liabilities	**-**	1,790,885

The Company's lease liabilities concern rental of factory and warehouse. The Company classifies its right-of-use assets in a consistent manner to its plant and equipment (Note 9).

Details of lease liabilities are:

	2024 Rs	2023 Rs
At 01 April	**1,790,885**	5,039,562
Interest expense	**39,115**	267,913
Rental payment	**(1,830,000)**	(3,426,000)
Remeasurement under IFRS 16	**-**	(90,590)
31 March	**-**	1,790,885
Split between:		
Non-current	**-**	-
Current	**-**	1,790,885
	-	1,790,885

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2024

14. Lease liabilities (Contd)

Future minimum lease payments at 31 March 2024 were as follows:

31 March 2024	Minimum lease payment Rs	Future charges Rs	Net present value Rs
Within 1 year	-	-	-

31 March 2023	Minimum lease payment Rs	Future charges Rs	Net present value Rs
Within 1 year	**1,830,000**	**(39,115)**	**1,790,885**

The lease agreement was automatically renewed on 01 November 2023 for a period of one year. However, management has issued a notice to terminate the lease agreement on 31 July 2024. Consequently, the rental paid subsequent to 01 November 2023has been treated as operating lease and accounted as rental expense in the statement of comprehensive income.

Operating lease arrangements where the Company is a lessee:

	2024 Rs	2023 Rs
Minimum lease payments under operating leases recognised in the statement of comprehensive income	**1,220,000**	-

15. Trade and other payables

	2024 Rs	2023 Rs
Trade payables	**19,360,149**	16,165,196
Other payables	**489,080**	1,423,657
Total	**19,849,229**	17,588,853

The average credit period for payments is normally 30 days unless otherwise agreed with the suppliers. No interest is charged on trade payables for overdue balances. The Company has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

16. Taxation

The Company is liable to income tax at the rate of 15% on its chargeable income. At 31 March 2024, the Company had no income tax liability due to tax losses of **Rs 17,717,274** (2023: Rs 15,328,531) carried forward.

The Company is subject to the Advance Payment Scheme ("APS") whereby it is required to submit an APS statement and pay tax quarterly on the basis of either last year's income or the income for the current quarter.

The Company is subject to CSR and the contribution is at the rate of 2% on chargeable income of the preceding financial year.

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2024

16. Taxation (Contd)

(i) Deferred taxation

Deferred taxation is based on temporary differences under the liability method using a tax rate of 15%.

The movement on the deferred tax asset is as follows:

	2024 Rs	2023 Rs
At 01 April and 31 March	**3,200,459**	3,200,459

The deferred tax asset is made up of:

	2024 Rs	2023 Rs
Accumulated tax losses	**3,063,449**	3,063,449
Temporary differences	**137,010**	137,010
Total	**3,200,459**	3,200,459

(ii) Income tax reconciliation

The tax charge on the Company's loss before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2024 Rs	2023 Rs
Loss before tax	**(4,546,384)**	(2,927,964)
Tax calculated at the rate of 15%	**(681,958)**	(439,195)
Non-allowable expenses	**422,177**	946,717
Exempt income	**(98,531)**	(192,566)
Tax losses utilised	**-**	(314,956)
Deferred tax not recognised	**358,312**	-
Tax credit	**-**	-

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2024

17. Administrative expenses

	2024 Rs	2023 Rs
Salaries and related costs	**1,569,122**	1,545,538
Depreciation of plant and equipment	**230,592**	1,187,599
Rental expenses	**1,830,000**	-
Insurances	**63,093**	-
Others	**415,084**	776,299
Total	**4,107,891**	3,509,436

18. Finance costs

	2024 Rs	2023 Rs
Bank charges	**13,741**	12,046
Interest on lease liabilities	**39,115**	267,913
Loss on remeausrement under IFRS 16	**-**	313,416
Total	**52,856**	593,375

19. Direct costs

	2024 Rs	2023 Rs
Depreciation of plant and equipment	**2,544,806**	4,542,521
Cost of inventories expensed (Note 10)	**10,078,957**	18,408,193
Utilities	**410,541**	473,505
Operation and maintenance fees	**2,400,000**	2,400,000
Others	**222,961**	-
Total	**15,657,265**	25,824,219

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2024

20. Reconciliation of liabilities arising from financing activities

	At 01 April 2023 Rs	Impact of IFRS 16 Rs	Net cash flows Rs	Non-cash changes Rs	At 31 March 2024 Rs
Lease liabilities	1,790,885	**-**	**(1,830,000)**	**39,115**	**-**

	At 01 April 2022 Rs	Impact of IFRS 16 Rs	Net cash flows Rs	Non-cash changes Rs	At 31 March 2023 Rs
Lease liabilities	5,039,562	-	(3,426,000)	177,323	1,790,885

21. Holding company

The directors consider Aksh Optifibre Limited, a company incorporated in the Republic of India, as the Company's holding company.

22. Going concern

The Group incurred a loss after tax of **Rs 4,546,384** during the year ended 31 March 2024 (2023: Rs 2,927,964) and, as of that date, the accumulated losses were Rs **30,276,689** (2023: 25,730,305). These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The Company's shareholder has agreed to provide continuing financial support to the Company to maintain the Company as a going concern entity. The financial statements have been prepared on the going concern basis which the directors believe to be appropriate. The validity of this basis depends on this continuing financial support of the shareholder, the evolution of the current situation and future performance of the Company.

23. Events after the reporting date

There have been no material events after the reporting period which would require disclosure or adjustment to the financial statements for the year ended 31 March 2024.