

Aksh Technologies (Mauritius) Limited

Financial Statements

Year ended

31 March 2021

Aksh Technologies (Mauritius) Limited

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Aksh Technologies (Mauritius) Limited

Financial statements for the year ended 31 March 2021

Auditors' report

We have audited the financial statements of Aksh Technologies (Mauritius) Limited, the "Company", for the year ended 31 March 2021.

Emphasis of matter

Without qualifying our opinion, we draw attention on the basis of preparation of the financial statements. The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued financial support of the shareholder and the Company's financial capability to generate enough cash flows to meet its obligations and commitments as they fall due. The financial statements do not include any adjustments that may deem necessary if the going concern assumption is proved invalid.

In our opinion the financial statements give a true and fair view of the financial position of the Company at 31 March 2021 and of its financial performance for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001.

Other matter

The financial statements of the Company for the year ended 31 March 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on 08 December 2020.



MANNICK AND ASSOCIATES
Public Accountants and Consultants





SOORUJ MANNICK, FCCA
Licensed by FRC

SOORUJ MANNICK FCCA

Date: 09.06.2021

Aksh Technologies (Mauritius) Limited
Statement of financial position as at 31 March

	Notes	2021 Rs	2020 Rs
ASSETS			
Non-current			
Plant and equipment	9	14,820,778	21,344,450
Deferred tax assets	16	3,304,698	2,474,859
Non-current assets		18,125,476	23,819,309
Current			
Inventories	10	7,236,445	6,756,383
Trade and other receivables	11	26,933,059	28,293,454
Cash and cash equivalents	12	11,804	33,715
Current assets		34,181,308	35,083,552
Total assets		52,306,784	58,902,861
EQUITY AND LIABILITIES			
EQUITY			
Stated capital	13	50,000,000	50,000,000
Accumulated losses		(21,992,525)	(16,098,166)
Total equity		28,007,475	33,901,834
LIABILITIES			
Non-current			
Borrowings	14	5,109,052	8,256,670
Current			
Borrowings	14	2,820,861	4,964,124
Trade and other payables	15	16,369,396	11,780,233
Current liabilities		19,190,257	16,744,357
Total liabilities		24,299,309	25,001,027
Total equity and liabilities		52,306,784	58,902,861

Approved by the Board of Directors on 9th June 2021 and signed on its behalf by:



Director



Director

The notes on pages 7 to 30 form an integral part of these financial statements.

Aksh Technologies (Mauritius) Limited

Statement of comprehensive income for the year ended 31 March

	Notes	2021 Rs	2020 Rs
Revenue		10,113,530	13,050,186
Direct costs	19	(13,109,078)	(18,088,965)
Gross profit/(loss)		(2,995,548)	(5,038,779)
Administrative expenses	17	(2,818,554)	(2,674,506)
Operating loss		(5,814,102)	(7,713,285)
Other income	18	378,692	-
Finance costs	19	(296,770)	(218,559)
Foreign exchange losses		(992,018)	(1,143,945)
Loss before tax		(6,724,198)	(9,075,789)
Tax credit	16	829,839	1,215,579
Loss for the year		(5,894,359)	(7,860,210)
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		(5,894,359)	(7,860,210)

The notes on pages 7 to 30 form an integral part of these financial statements.

Aksh Technologies (Mauritius) LimitedStatement of changes in equity for the year ended
31 March

	Stated capital Rs	Accumulated losses Rs	Total Rs
At 01 April 2020	50,000,000	(16,098,166)	33,901,834
Loss for the year	-	(5,894,359)	(5,894,359)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(5,894,359)	(5,894,359)
At 31 March 2021	50,000,000	(21,992,525)	28,007,475
At 01 April 2019	50,000,000	(8,237,956)	41,762,044
Loss for the year	-	(7,860,210)	(7,860,210)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(7,860,210)	(7,860,210)
At 31 March 2020	50,000,000	(16,098,166)	33,901,834

The notes on pages 7 to 30 form an integral part of these financial statements.

Aksh Technologies (Mauritius) Limited

Statement of cash flows for the year ended 31 March

	2021 Rs	2020 Rs
Operating activities		
Loss before tax	(6,724,198)	(9,075,789)
<i>Adjustment for:</i>		
Depreciation	5,825,057	6,023,294
Gain on remeasurement under IFRS 16	(378,692)	-
Foreign exchange loss	198,200	-
Interest expense	279,035	197,424
Employee retirement obligation	106,167	-
Expenses paid on behalf of a related party	-	1,557,180
Total adjustments	6,029,767	7,777,901
<i>Changes in working capital:</i>		
Change in inventories	(480,062)	3,916,098
Change in trade and other receivables	1,360,395	(3,665,199)
Change in trade and other payables	4,482,996	3,331,184
Net changes in working capital	5,363,329	3,582,083
Net cash from operating activities	4,668,898	2,284,195
Investing activities		
Purchase of plant and equipment	(140,359)	(433,046)
Net cash used in investing activities	(140,359)	(433,046)
Financing activities		
Loans received	-	1,896,000
Loans repaid	(1,644,200)	(351,573)
Payment of right-of-use liabilities	(2,906,250)	(3,440,527)
Net cash used in financing activities*	(4,550,450)	(1,896,100)
Net change in cash and cash equivalents	(21,911)	(44,951)
Cash and cash equivalents at beginning of the year	33,715	78,666
Cash and cash equivalents at end of the year	11,804	33,715
Cash and cash equivalents made up of:		
Cash at bank (Note 12)	11,804	33,715
Non-cash transactions		
Right-of-use assets	-	15,017,894
Right-of-use liabilities recognised under IFRS 16	-	(15,017,894)

*For reconciliation of liabilities arising from the financing activities, refer to Note 21.

The notes on pages 7 to 30 form an integral part of these financial statements.

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2021

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 International Financial Reporting 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 2020

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 2020.

Various	Amendments to References to the Conceptual Framework in IFRS Standards
IFRS 3	Definition of a Business (Amendments to IFRS 3)
IAS 1 and IAS 8	Definition of Material (Amendments to IAS 1 and IAS 8)
IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

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.

IFRS 16	COVID-19 Related Rent Concessions (Amendment to IFRS 16)
Various	Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
IFRS 3	References to the Conceptual Framework (Amendments to IFRS 3)
IAS 16	Proceeds before intended use (Amendments to IAS 16)
IAS 37	Onerous Contract – Cost of Fulfilling a Contract (Amendments to IAS 37)
IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual improvements to IFRS Standards 2019-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)
IFRS 17	Insurance Contracts
IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)
IAS 1	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2021

2. Application of new and revised IFRS (Contd)

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

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.

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.

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2021

3. Summary of accounting policies (Contd)

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.

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.

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2021

3. Summary of accounting policies (Contd)

3.4 Financial instruments (Contd)

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. No expected credit losses have been recognised in this year's financial statements.

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.

Classification and measurement of financial liabilities

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

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.

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2021

3. Summary of accounting policies (Contd)

3.5 Foreign currency (Contd)

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.

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.

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2021

3. Summary of accounting policies (Contd)

3.10 Income taxes (Contd)

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.

Deferred 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.

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 contributions 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.

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2021

3. Summary of accounting policies (Contd)

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 renewal for a further 2 years period. 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.

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. 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.

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2021

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 assesment of the probability of the Company’s future taxable income against which the deferred tax asset can be utilised.

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2021

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

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.

Impact of COVID-19 and going concern

Since the World Health Organisation has declared the outbreak of COVID-19, the country experienced two periods of lock down and there is still a high level of uncertainty in local as well as the global economy. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. There are meaningful direct and indirect effects developing with companies across multiple industries and the world.

The directors are closely monitoring the situation and decisions are taken in function of the evolution of effect of the pandemic on the Company's current and future performance.

The directors have considered the potential adverse impact of COVID-19 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 other risks that could affect the Company.

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2021

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:

	2021	2020
	Rs	Rs
Financial assets		
<i>Amortised cost</i>		
Current		
Trade and other receivables*	25,667,248	27,200,942
Cash and cash equivalents	11,804	33,715
Total financial assets	25,679,052	27,234,657
Financial liabilities		
<i>Amortised cost</i>		
Current		
Borrowings	2,820,861	4,964,124
Trade and other payables	16,369,396	11,780,233
Non-current		
Borrowings	5,109,052	8,256,670
Total financial liabilities	24,299,309	25,001,027

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

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").

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2021

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 2021 Rs	Financial liabilities 2021 Rs	Financial assets 2020 Rs	Financial liabilities 2020 Rs
Mauritian rupee (MUR)	25,674,345	9,590,476	27,223,549	13,006,072
United States dollar (USD)	4,707	14,708,833	11,108	11,994,955
	25,679,052	24,299,309	27,234,657	25,001,027

Foreign currency sensitivity

The exchange rate for the year ended 31 March 2021 was as shown below:

	2021 Rs	2020 Rs
MUR/USD	40.39	38.14

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 2021:

	% change	
	2021	2020
MUR/USD	5.89	13.28

It assumes a 5.89% 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 5.89%, then this would have the following impact:

	2021 Rs	2020 Rs
Loss	(864,121)	(1,591,455)
Equity	864,121	1,591,455

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2021

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 5.89%, then this would have the following impact:

	2021	2020
	Rs	Rs
Loss	864,121	1,591,455
Equity	(864,121)	(1,591,455)

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:

	2021	2020
	Rs	Rs
Financial assets		
Trade and other receivables	25,667,248	27,200,942
Cash and cash equivalents	11,804	33,715
	25,679,052	27,234,657

Receivables include amount due from the shareholder for unpaid share capital and amount due from a sister company and for which the directors consider that no credit risk is associated.

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 2021

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 2021	Carrying amount Rs	Contractual cash flows Rs	Less than 1 year Rs	More than 1 year Rs
Trade and other payables	16,369,396	16,369,396	16,369,396	-
Right-of-use liabilities	7,929,913	8,253,750	3,022,500	5,231,250
	24,299,309	24,623,146	19,391,896	5,231,250

31 March 2020	Carrying amount Rs	Contractual cash flows Rs	Less than 1 year Rs	More than 1 year Rs
Trade and other payables	11,780,233	11,780,233	11,780,233	-
Loans from related parties	1,446,000	1,446,000	1,446,000	-
Right-of-use liabilities	11,774,794	12,560,675	3,487,500	9,073,175
	25,001,027	25,786,908	16,713,733	9,073,175

5.4 Risks related to the COVID-19 pandemic

The pandemic continues to have its effect on the Mauritian as well as the worldwide economies.

Management has made an assessment of the impact of the pandemic on the Company's current and future performance and the results of the assessment are provided below.

Credit risk

The Company's credit risk is mainly associated with the amounts due from the related parties. The directors consider that no credit risk is associated with the amounts due from the related parties as they form part of the same group of companies and the majority of amount due relates to unpaid share capital from the holding company.

Other receivables include transactions which are in the normal course of business and on which no credit risk is anticipated.

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2021

5. Financial instrument risk (Contd)**Risk management objectives and policies (Contd)****5.4 Risks related to the COVID-19 pandemic (Contd)***Income reduction*

The main source of revenue is from the manufacturing and selling of fibre optic cables, both locally and internationally.

In order to minimise the impact the lockdown had on international orders during the confinement period, the Company negotiated and secured more orders locally to sustain operations and cashflows and management expects this trend to continue in the coming months.

The situation is being closely monitored and other strategic measures will be implemented depending on the evolution of the impact to alleviate the effect on the Company's activity.

Operating costs

It is expected that there will be a range of impact on the business activity where several measures need to be considered and implemented. Fixed and variable costs are closely monitored so that the Company does not have liquidity stress.

Cash flow and liquidity management

Under normal circumstances the main inflow of funds is from income from selling of fibre optic cables. With the impact of COVID-19, it is expected that the cash flow will not be significantly affected since most sales are currently done to a related party who in turn has secured ongoing contracts with a major local player. The directors thus consider that at this stage the Company will be in a position to meet its obligations with an adequate level of liquid asset. Also, the holding company has formerly confirmed to provide continuous financial support to the Company as and when necessary to enable the latter to meet all its obligations and continue as a going concern.

Going concern of the Company

The directors have made an assessment of the Company's ability to continue as a going concern taking into account all available information about the future including the analysis of the possible impacts in relation to COVID-19, which is at least, but is not limited to, twelve months from the date of approval of these financial statements and confirmed that 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, the global economic conditions and other risks that could affect the Company and the financial support from its shareholder.

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2021

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.

The Company monitors capital on the basis of the gearing ratio and for the two years ended 31 March 2021, the Company was not geared as it did not have any external borrowings.

7. Fair value measurement**7.1 Fair value measurement of financial instruments**

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

7.2 Fair value measurement of non-financial assets and non-financial liabilities

The Company's non-financial assets consist of plant and equipment, inventories, deferred tax assets, VAT receivable, deposits and prepayments.

For non-financial assets, fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis.

The Company did not have any non-financial liabilities at the reporting date.

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2021

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 renewal for a further 2 years period.

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 asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset. The Company classifies its right-of-use assets in a consistent manner to its plant and equipment (Note 9) and right-of-use liabilities as part of borrowings (Note 14).

Right-of-use assets

	2021 Rs	2020 Rs
At 01 April	11,715,004	15,017,894
Depreciation expense for the year	(3,035,171)	(3,302,890)
Adjustment on remeasured of impact of IFRS 16 (Notes 9 and 18)	(838,974)	-
At 31 March	7,840,859	11,715,004

Right-of-use liabilities

	2021 Rs	2020 Rs
At 01 April	11,774,794	15,017,894
Interest expense	279,035	197,427
Rental payment	(2,906,250)	(3,440,527)
Adjustment on remeasured of impact of IFRS 16 (Notes 14 and 18)	(1,217,666)	-
At 31 March	7,929,913	11,774,794

The Company availed a reduction in the rental fee during the current financial year and consequently, the right-of-use assets and right-of-use liabilities have been remeasured, resulting into a decrease of Rs 838,974 and 1,217,666 respectively.

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2021

9. Plant and equipment

	Machinery Rs	Factory equipment Rs	Machinery spare parts Rs	Computer equipment Rs	Other assets (Note below) Rs	Right-of-use assets Rs	Total Rs
Cost							
At 01 April 2020	5,883,362	2,132,638	400,467	409,370	5,764,256	15,017,894	29,607,987
Remeasurement under IFRS 16	-	-	-	-	-	(838,974)	(838,974)
Additions during the year	-	137,003	3,356	-	-	-	140,359
At 31 March 2021	5,883,362	2,269,641	403,823	409,370	5,764,256	14,178,920	28,909,372
Depreciation							
At 01 April 2020	1,914,010	718,471	129,994	88,288	2,109,884	3,302,890	8,263,537
Charge for the year	1,117,839	399,176	71,489	48,530	1,152,852	3,035,171	5,825,057
At 31 March 2021	3,031,849	1,117,647	201,483	136,818	3,262,736	6,338,061	14,088,594
Net book values							
At 31 March 2021	2,851,513	1,151,994	202,340	272,552	2,501,520	7,840,859	14,820,778

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 2021

9. Plant and equipment (Contd)

	Machinery Rs	Factory equipment Rs	Machinery spare parts Rs	Computer equipment Rs	Other assets Rs	Right-of-use assets Rs	Total Rs
Cost							
At 01 April 2019	5,486,542	2,096,412	400,467	409,370	5,764,256	-	14,157,047
Adoption of IFRS 16	-	-	-	-	-	15,017,894	15,017,894
Additions during the year	396,820	36,226	-	-	-	-	433,046
At 31 March 2020	5,883,362	2,132,638	400,467	409,370	5,764,256	15,017,894	29,607,987
Depreciation							
At 01 April 2019	865,370	319,586	58,505	39,758	957,024	-	2,240,243
Charge for the year	1,048,640	398,885	71,489	48,530	1,152,860	3,302,890	6,023,294
At 31 March 2020	1,914,010	718,471	129,994	88,288	2,109,884	3,302,890	8,263,537
Net book values							
At 31 March 2020	3,969,352	1,414,167	270,473	321,082	3,654,372	11,715,004	21,344,450

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2021

10. Inventories

	2021	2020
	Rs	Rs
Raw materials	6,792,105	6,179,557
Finished cables	444,340	576,826
	7,236,445	6,756,383

The cost of inventories expensed during the year amounted to Rs 5,233,681 (2019: Rs 9,622,994) and is included in direct costs (Note 20).

11. Trade and other receivables

	2021	2020
	Rs	Rs
Trade receivables (Note 11.1)	878,549	2,781,470
Security deposit	669,122	669,122
Other receivables (Note 11.3)	25,385,388	24,842,862
Total	26,933,059	28,293,454

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:

	2021	2020
	Rs	Rs
31-60 days	878,549	2,781,470

11.3 Other receivables consist principally of VAT receivable of Rs 568,161 and 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

	2021	2020
	Rs	Rs
Cash at bank:		
- MUR	11,804	22,607
- USD	-	11,108
Total	11,804	33,715

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2021

13. Stated capital

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

	2021 Rs	2020 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. Borrowings
Non-current

	2021 Rs	2020 Rs
Right-of-use liabilities (Note (i))	5,109,052	8,256,670

Current

	2021 Rs	2020 Rs
Right-of-use liabilities (Note (i))	2,820,861	3,518,124
Loan from a related party (Note ii))	-	1,446,000
Total	2,820,861	4,964,124

Total borrowings	7,929,913	13,220,794
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(i) Right-of-use liabilities

The Company's right-of-use 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 right-of-use liabilities are:

	2021 Rs	2020 Rs
At 01 April	11,774,794	15,017,894
Interest expense	279,035	197,427
Rental payment	(2,906,250)	(3,440,527)
Remeasurement under IFRS 16	(1,217,666)	-
31 March	7,929,913	11,774,794
<i>Split between:</i>		
Non-current	5,109,052	8,256,670
Current	2,820,861	3,518,124
	7,929,913	11,774,794

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2021

14. Borrowings (Contd)

(i) Right-of-use liabilities (Contd)

Future minimum lease payments at 31 March 2021 were as follows:

	Within 1 year	1 – 5 years	Total
31 March 2021	Rs	Rs	Rs
Lease payments	3,022,500	5,231,250	8,253,750
Finance charges	(201,639)	(122,198)	(323,837)
Net present values	2,820,861	5,109,052	7,929,913

	Within 1 year	1 – 5 years	Total
31 March 2020	Rs	Rs	Rs
Lease payments	3,487,500	9,073,175	12,560,675
Finance charges	(305,467)	(480,414)	(785,881)
Net present values	3,182,033	8,592,761	11,774,794

(ii) Loans from a related party

The loan from the related party was fully repaid during the current financial year.

15. Trade and other payables

	2021	2020
	Rs	Rs
Trade payables	14,708,834	10,348,264
Other payables	1,660,562	1,431,969
Total	16,369,396	11,780,233

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 2021, the Company had no income tax liability due to tax losses of **Rs 22,468,612** (2019: Rs 18,373,809) 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.

(i) Statement of comprehensive income

	2021	2020
	Rs	Rs
Movement in deferred tax	829,839	1,215,579

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2021

16. Taxation (Contd)

(ii) 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:

	2021 Rs	2020 Rs
At 01 April	2,474,859	1,259,280
Movement during the year	829,839	1,215,579
At 31 March	3,304,698	2,474,859

The deferred tax asset is made up of:

	2021 Rs	2020 Rs
Accumulated tax losses	3,370,292	2,756,072
Temporary differences	(65,594)	(281,213)
Total	3,304,698	2,474,859

(iii) 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:

	2021 Rs	2020 Rs
Loss before tax	(6,724,198)	(9,075,789)
Tax calculated at the rate of 15%	(1,008,630)	(1,361,368)
Non-allowable expenses	1,013,882	1,077,006
Exempt income	(619,473)	(787,948)
Deferred tax arising on temporary differences	65,594	281,213
Movement in deferred taxation	(829,839)	(1,215,579)
Unutilised tax losses	548,627	791,097
Tax credit	(829,839)	(1,215,579)

Aksh Technologies (Mauritius) Limited

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For the year ended 31 March 2021

17. Administrative expenses

	2021	2020
	Rs	Rs
Salaries and related costs	1,160,220	1,001,765
Depreciation of plant and equipment	1,201,382	1,201,382
Insurances	83,899	73,817
Others	373,053	397,542
Total	2,818,554	2,674,506

18. Other income

	2021	2020
	Rs	Rs
Gain on remeasurement under IFRS 16 (Note 8)	378,692	-

19. Finance costs

	2021	2020
	Rs	Rs
Bank charges	17,735	21,132
Interest on right-of-use liabilities	279,035	197,427
Total	296,770	218,559

20. Direct costs

	2021	2020
	Rs	Rs
Depreciation of plant and equipment	4,623,675	4,821,912
Cost of inventories expensed (Note 10)	5,233,681	9,622,994
Utilities	293,092	369,735
Rental expenses	258,000	258,000
Operation and maintenance fees	2,400,000	2,700,000
Others	300,630	316,324
Total	13,109,078	18,088,965

Aksh Technologies (Mauritius) Limited

Notes to the financial statements

For the year ended 31 March 2021

21. Reconciliation of liabilities arising from financing activities

	At 01 April 2020 Rs	Impact of IFRS 16 Rs	Net cash flows Rs	Non-cash changes Rs	At 31 March 2021 Rs
Loans from a related party	1,446,000	-	(1,644,200)	198,200	-
Lease liabilities	11,774,794	(1,217,666)	(2,906,250)	279,035	7,929,913
Total liabilities from financing activities	13,220,794	(1,217,666)	(4,550,450)	477,235	7,929,913

	At 01 April 2019 Rs	Adoption of IFRS 16 Rs	Net cash flows Rs	Non-cash changes Rs	At 31 March 2020 Rs
Loans from a related party	190,000	-	1,347,000	(91,000)	1,446,000
Lease liabilities	-	15,017,894	(3,440,527)	197,427	11,774,794
Total liabilities from financing activities	190,000	15,017,894	(2,093,527)	106,427	13,220,794

22. Holding company

The directors consider Aksh Optifibre Limited, a company incorporated in the Republic of India, as the Company's holding 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 2021.