

ONLINE INSTRUMENTS DWC-LLC  
DUBAI, UNITED ARAB EMIRATES

INDEPENDENT AUDITOR'S REPORT  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023

ONLINE INSTRUMENTS DWC-LLC  
DUBAI, UNITED ARAB EMIRATES

INDEPENDENT AUDITOR'S REPORT  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF ONLINE INSTRUMENTS DWC- LLC,  
DUBAI - UNITED ARAB EMIRATES**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **ONLINE INSTRUMENTS DWC- LLC**, which comprise the statement of financial position as of March 31, 2023, the statements of comprehensive income, cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") together with the other ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the provisions of the Law No.(10) of 2015 establishing Dubai Aviation City Corporation and its amendments or the Articles of the Company for such internal control as management determines is necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The management is responsible for overseeing the Company's financial reporting process.



**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF ONLINE INSTRUMENTS DWC- LLC,  
DUBAI - UNITED ARAB EMIRATES (CONTINUED)**

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with ISAs, 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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.
- 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the management, we determine if there are any matters that were of most significance in the audit of the financial statements for the current period and are therefore the key audit matters. Based on the information and explanation provided to us and our observation during our audit, we have determined that there are no such key audit matters to be communicated in our report.

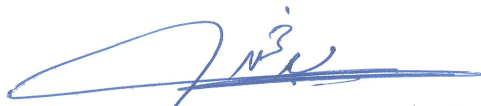


**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF ONLINE INSTRUMENTS DWC- LLC,  
DUBAI - UNITED ARAB EMIRATES (CONTINUED)**

**Report on Other Legal and Regulatory Requirements**

As required by the provisions of Implementing Regulations of the Law No. (10) of 2015 establishing Dubai Aviation City Corporation and its amendments or the Articles of the Company, we report that:

- Proper books of accounts as required by law have been kept by the Company and are maintained on a regular basis so far as it appears from our examination of those books. The statement of financial position as of March 31, 2023, the statements of comprehensive income, cash flows and changes in equity dealt with by this report agree with the books of accounts. The financial statements comply with the required International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- Based on the information that were given to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended March 31, 2023, any of the applicable provisions of the of the Law No. (10) of 2015 establishing Dubai Aviation City Corporation and its amendments or the Articles of the Company, which would materially affect its activities or its financial position as of March 31, 2023.



**JASSIM MOHAMMAD JAMIL AHMAD ALBALOOSHI**  
Audit license number: 801

**KUDOS PRS Chartered Accountants**  
Dubai – United Arab Emirates  
October 2, 2023



ONLINE INSTRUMENTS DWC-LLC  
DUBAI, UNITED ARAB EMIRATES

Statement of financial position as on March 31, 2023

|                                     | Note | 2023<br>AED             | 2022<br>AED             |
|-------------------------------------|------|-------------------------|-------------------------|
| <b>ASSETS</b>                       |      |                         |                         |
| <b>Current assets</b>               |      |                         |                         |
| Inventories                         | 4    | 1,379                   | 820,083                 |
| Due from related party              | 5    | 949,044                 | 570,959                 |
| Trade receivables                   | 6    | 1,604,722               | 1,113,018               |
| Other receivables                   | 7    | 5,369                   | 34,006                  |
| Cash and cash equivalents           | 8    | 172,852                 | 30,066                  |
|                                     |      | <u>2,733,366</u>        | <u>2,568,132</u>        |
| <b>TOTAL ASSETS</b>                 |      | <b><u>2,733,366</u></b> | <b><u>2,568,132</u></b> |
| <b>EQUITY AND LIABILITIES</b>       |      |                         |                         |
| <b>Equity</b>                       |      |                         |                         |
| Share capital                       | 2    | 300,000                 | 300,000                 |
| Retained earnings                   |      | 361,496                 | (126,695)               |
| <b>Total Equity</b>                 |      | <b><u>661,496</u></b>   | <b><u>173,305</u></b>   |
| <b>Current liabilities</b>          |      |                         |                         |
| Due to related party                | 5    | 1,157,237               | 2,281,188               |
| Trade payables                      | 9    | 908,533                 | 99,388                  |
| Other payables                      | 10   | 6,100                   | 14,251                  |
|                                     |      | <u>2,071,870</u>        | <u>2,394,827</u>        |
| <b>Total Liabilities</b>            |      | <b><u>2,071,870</u></b> | <b><u>2,394,827</u></b> |
| <b>TOTAL EQUITY AND LIABILITIES</b> |      | <b><u>2,733,366</u></b> | <b><u>2,568,132</u></b> |

Accompanying notes no 1 to 20 form an integral part of the financial statements.  
The financial statements on pages 4 to 20 were approved on September 29, 2023

Mr.Shivanand Mallappa Maheshetti  
Manager



ONLINE INSTRUMENTS DWC-LLC  
DUBAI, UNITED ARAB EMIRATES

Statement of comprehensive income for the year ended March 31, 2023

|                                                | Note | 2023<br>AED    | 2022<br>AED    |
|------------------------------------------------|------|----------------|----------------|
| Revenue                                        | 11   | 4,472,913      | 5,807,163      |
| Cost of sales                                  | 12   | (3,935,599)    | (5,542,101)    |
| <b>Gross profit</b>                            |      | <b>537,314</b> | <b>265,062</b> |
| <b>Indirect expenses</b>                       |      |                |                |
| General and administrative expenses            | 13   | 35,665         | 103,209        |
| Finance charges                                | 14   | 13,458         | 11,476         |
|                                                |      | <b>49,123</b>  | <b>114,685</b> |
| <b>Net profit for the year</b>                 |      | <b>488,191</b> | <b>150,377</b> |
| Other comprehensive income                     |      | -              | -              |
| <b>Total comprehensive income for the year</b> |      | <b>488,191</b> | <b>150,377</b> |

Accompanying notes no 1 to 20 form an integral part of the financial statements.



ONLINE INSTRUMENTS DWC-LLC  
DUBAI, UNITED ARAB EMIRATES

Statement of cash flows for the year ended March 31, 2023

|                                                              | 2023<br>AED    | 2022<br>AED     |
|--------------------------------------------------------------|----------------|-----------------|
| <b>Cash flow from operating activities</b>                   |                |                 |
| Total comprehensive income for the year                      | 488,191        | 150,377         |
| <b>Operating profit before working capital changes</b>       | <b>488,191</b> | <b>150,377</b>  |
| <b>Changes in working capital:</b>                           |                |                 |
| <b>(Increase) / decrease in current assets</b>               |                |                 |
| Inventories                                                  | 818,704        | 415,943         |
| Trade receivables                                            | (491,704)      | (1,011,699)     |
| Due from related party                                       | (378,085)      | (572,868)       |
| Other receivables                                            | 28,637         | (20,877)        |
| <b>Increase / (decrease) in current liabilities</b>          |                |                 |
| Due to related party                                         | (1,123,951)    | (31,592)        |
| Trade payables                                               | 809,145        | 1,048,588       |
| Other payables                                               | (8,151)        | (2,039)         |
| <b>Net cash flow from/(used in) operating activities</b>     | <b>142,786</b> | <b>(24,167)</b> |
| <b>Net increase/ (decrease) in cash and cash equivalents</b> | <b>142,786</b> | <b>(24,167)</b> |
| Cash and cash equivalents at the beginning of the year       | 30,066         | 54,233          |
| <b>Cash and cash equivalents at the end of the year</b>      | <b>172,852</b> | <b>30,066</b>   |
| <b>Represented by:</b>                                       |                |                 |
| Balances at banks                                            | 172,852        | 30,066          |
|                                                              | <b>172,852</b> | <b>30,066</b>   |

Accompanying notes no 1 to 20 form an integral part of the financial statements.



ONLINE INSTRUMENTS DWC-LLC  
DUBAI, UNITED ARAB EMIRATES

Statement of changes in equity for the year ended March 31, 2023

|                                                | Share capital  | Retained earnings | Total          |
|------------------------------------------------|----------------|-------------------|----------------|
|                                                | AED            | AED               | AED            |
| <b>Changes in Shareholder's equity</b>         |                |                   |                |
| Balance as at the beginning of January 1, 2021 | 300,000        | (277,072)         | 22,928         |
| Comprehensive income for the period            | -              | 150,377           | 150,377        |
| <b>Balance as at the end of March 31, 2022</b> | <b>300,000</b> | <b>(126,695)</b>  | <b>173,305</b> |
| Comprehensive income for the year              | -              | 488,191           | 488,191        |
| <b>Balance as at the end of March 31, 2023</b> | <b>300,000</b> | <b>361,496</b>    | <b>661,496</b> |

Accompanying notes no 1 to 20 form an integral part of the financial statements.



**ONLINE INSTRUMENTS DWC - LLC  
DUBAI - UNITED ARAB EMIRATES.**

**Notes to the financial statements for the year ended March 31, 2023**

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**1. Legal Status and Business Activity**

**ONLINE INSTRUMENTS DWC – LLC, (the Company)** was incorporated on June 24, 2018, and licensed to operate as a Limited liability Company in Dubai United Arab Emirates under the License # 8175 issued by the Dubai World Centre Authority, Dubai Aviation City, Dubai, United Arab Emirates.

The Company is engaged in the business of audio-visual, recording equipment and accessories trading, light fittings and fixtures trading, wires and cables trading.

The management and control of the Company is vested with Mr. Shivanand Mallappa Mahashetti (Indian national), the Manager of the Company.

The registered address of the Company is: Post Box # 390667, Business centre, Dubai world central, Dubai, United Arab Emirates.

**2. Share capital**

Authorised, issued and paid-up capital of the Company is AED 300,000 divided in to 300,000 shares of AED 1 each fully paid and is 100% held by ONLINE INSTRUMENTS (INDIA) PRIVATE LIMITED as on the date of the financial position.

**3. Summary of significant accounting policies, judgements, estimates and assumptions**

**3.A Critical Accounting Judgements and key sources of estimation of uncertainty**

The preparation of financial statements in conformity with the International Financial Reporting Standards (IFRS) requires the management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities recognised. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation of uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.



### 3.A Critical Accounting Judgements and key sources of estimation of uncertainty (continued)

#### i) Allowance of trade receivables

An expected credit losses allowance for trade receivables is recognised as per IFRS 9 considering the pattern of receipts from, and the future financial outlook of, the concerned customer. In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the credit period and the days past due.

#### ii) Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete (by its design or model), an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

### 3.B Summary of significant accounting policies

A summary of the significant accounting policies, which have been applied consistently followed are set out below:

#### a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), interpretations issued by the IFRS Interpretations Committee ("the Committee"), and in compliance with the applicable provisions of Federal Law.

#### b) Accounting convention

The financial statements have been prepared in accordance with historical cost convention and accrual. The fair/ net realizable value concept of measurement of assets and liabilities has also been applied wherever applicable under International Financial Reporting standards (IFRS) issued by the International Accounting Standards Board (IASB).

#### c) Functional and reporting currency

The functional and reporting currency of the Company is AED, as all major transactions are affected in that currency.

#### d) Basis of measurement

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.



### 3.B Summary of significant accounting policies (continued)

#### d) Basis of measurement (continued)

In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, which is taken as 12 months.

#### e) Changes in accounting policies and disclosures

The accounting policies are consistent with those used in the previous year and in conformity with applicable International Financial Reporting Standards (IFRS) except for the new IFRS and amendment to IFRS and IFRIC interpretations effective for accounting years beginning on or after January 1, 2022.

#### New and amended standards and interpretations.

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an Company needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the financial statements of the Company as there were no contracts of such nature entered into during the year.

#### Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.



### 3.B Summary of significant accounting policies (continued)

#### e) Changes in accounting policies and disclosures (continued)

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities, or contingent liabilities within the scope of these amendments that arose during the period.

#### Property and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of Property and Equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, a Company recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by Property and Equipment made available for use on or after the beginning of the earliest period presented.

#### IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

#### IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that a Company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement. These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

#### IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.



### 3.B Summary of significant accounting policies (continued)

#### f) Impairment of non-financial assets

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets, in which case the cash-generating unit to which the asset belongs is used. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

#### g) Inventories

Inventories are stated at the lower of cost and net realisable value using weighted average cost method. Costs comprise of direct materials and those expenses that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to be incurred on completion and on disposal. Cost of surplus/ obsolete/ slow moving inventories are adequately provided for.

#### h) Financial instruments

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 substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Except for those trade receivables that do not contain a significant financing component 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 applicable). Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost.
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI).

The above 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 costs, finance income or other financial items, except for impairment of trade receivables which are presented within general and administrative expenses.

**ONLINE INSTRUMENTS DWC - LLC  
DUBAI - UNITED ARAB EMIRATES.**

**Notes to the financial statements for the year ended March 31, 2023**

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**3.B Summary of significant accounting policies (continued)**

**h) Financial instruments (continued)**

**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. The Company's cash and cash equivalents, trade receivables, and other receivables (excluding prepaid expenses and advances), fall into this category of financial instruments.

**i) Leases**

The Company has short term lease arrangement for its office for a lease period of 1 year. Accordingly, the Company has elected to apply recognition exemption and recognised the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

**j) Related party transactions and balances**

The Company enters transactions with parties that fall within the definition of a related party as defined by IFRS. Related parties comprise companies and entities under common ownership and/or common management and control, their partners, key management personnel, subsidiaries, joint ventures, parent and associates. A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. The Company provides/receives funds from related parties as and when required as working capital facilities.

**k) Trade receivables**

Trade receivables are stated at their nominal value, as reduced by appropriate allowances for expected credit loss. Bad debts are written off when there is no possibility of recovery. The Company makes use of a simplified approach in accounting for trade receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating the allowance, the Company uses its historical experience, external indicators, and forward-looking information to calculate the expected credit losses.

**l) Other receivables**

Other receivables mainly include prepaid expenses and advance to supplier.

**m) Cash and cash equivalents**

Cash and cash equivalents include balances with banks.



### 3.B Summary of significant accounting policies (continued)

#### n) Impairment of financial assets

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 the new requirements include financial assets measured at amortised cost, such as trade receivables measured under IFRS 15. 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, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1").
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2"); and
- financial assets that have objective evidence of impairment at the reporting date ("Stage 3").

"12-month expected credit losses" are recognised for the first category while "lifetime expected credit losses" are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

#### o) Trade payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether billed by the supplier or not.

#### p) 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 can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimates.

#### q) Offsetting of financial assets and liabilities

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position, if the Company has a legally enforceable right to set off the recognised amounts, and the Company either intends to settle on a net basis or realize the asset and settle the liability simultaneously.

#### r) Employee benefits

##### i) Employees' end of service benefits:

A liability is recognised for benefits accruing to employees in respect of salaries, wages, performance incentives, medical benefits, and other short-term benefits in the period the related service is rendered, at the amount of the benefits expected to be paid in exchange for that service.



### 3.B Summary of significant accounting policies (continued)

#### s) The effects of foreign exchange

Transactions in foreign currencies (currencies other than the Company's functional currency) are initially recorded at the rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in such currencies are reinstated at the rate prevailing on the date of financial position. Non-monetary items measured in terms of historical costs are not restated. Gains and losses arising are taken to the statement of comprehensive income. IFRIC 22 clarifies which exchange rate to use in transactions that involve advance consideration paid or received in foreign currency. This does not have any impact on the Company's financial statements.

#### t) Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events, not wholly within the control of the Company; or when the Company has a present legal or constructive obligation, that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

#### u) Revenue recognition

The Company follows a 5-step process to determine whether to recognise revenue, as follows:

- i. Identifying the contract with a customer.
- ii. Identifying the performance obligations.
- iii. Determining the transaction price.
- iv. Allocating the transaction price to the performance obligations; and
- v. Recognising revenue when performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time when the Company satisfies performance obligations by transferring the promised goods to its customers or services.

#### Other income

Other operating revenues comprise of income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.

#### v) Expenses

Costs of sales include purchase and all costs directly attributable to the generation of revenue. All other expenses are classified as general and administrative expenses, finance charges and sales and marketing expenses as appropriate.



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**Notes to the financial statements for the year ended March 31, 2023**

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**3.C New Standards and amendments issued but not yet effective.**

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of the Company's financial statements are disclosed below.

|                                                   |                                                                                |              |
|---------------------------------------------------|--------------------------------------------------------------------------------|--------------|
| IFRS 17 and its amendments                        | Insurance Contracts                                                            | Jan. 1, 2023 |
| Amendments to IAS 1                               | Classification of liabilities as current or non-current                        | Jan. 1, 2023 |
| Amendments to IAS 1 and IFRS Practice Statement 2 | Disclosure of Accounting Policies                                              | Jan. 1, 2023 |
| Amendments to IAS 12                              | Deferred tax related to assets and liabilities arising from single transaction | Jan. 1, 2023 |
| Amendments to IAS 8                               | Definition of Accounting Estimates                                             | Jan. 1, 2023 |

The Company intends to adopt these standards, amendments and interpretations, if applicable, when they become effective. The adoption of these standards, amendments and interpretations is not expected to have any material impact on the financial statements of the Company in the year of their initial application.



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Notes to the financial statements for the year ended March 31, 2023

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2023<br>AED         | 2022<br>AED         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>4 Inventories</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     |                     |
| Stock in trade                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 1,379               | 820,083             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1,379</b>        | <b>820,083</b>      |
| <b>4.1</b> Inventories were physically verified, certified and confirmed by the management during the year and there were no material discrepancies identified during such verification. Inventory as on the reporting dates are considered good for sale/consumption in the ordinary course of business. These inventories were lying in the premises at Dubai, United Arab Emirates.                                                                                         |                     |                     |
| <b>5 Related parties balances and transactions</b>                                                                                                                                                                                                                                                                                                                                                                                                                             |                     |                     |
| As at the reporting date, related parties balances were as follows:                                                                                                                                                                                                                                                                                                                                                                                                            | <b>2023<br/>AED</b> | <b>2022<br/>AED</b> |
| <b>5.1 Due to related party</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     |                     |
| Online Instruments India Pvt Limited                                                                                                                                                                                                                                                                                                                                                                                                                                           | -                   | 2,281,188           |
| Online Instruments (Singapore) Pte Ltd                                                                                                                                                                                                                                                                                                                                                                                                                                         | 1,157,237           | -                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1,157,237</b>    | <b>2,281,188</b>    |
| <b>5.2 Due from related party</b>                                                                                                                                                                                                                                                                                                                                                                                                                                              |                     |                     |
| Online Instruments India Pvt Limited                                                                                                                                                                                                                                                                                                                                                                                                                                           | 269,234             | -                   |
| Online Instruments Technologies LLC                                                                                                                                                                                                                                                                                                                                                                                                                                            | 679,810             | 570,959             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>949,044</b>      | <b>570,959</b>      |
| Transactions with related party includes:                                                                                                                                                                                                                                                                                                                                                                                                                                      |                     |                     |
| Purchases                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 2,175,685           | 2,126,686           |
| Sales                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 1,157,975           | 2,625,932           |
| <b>6 Trade receivables</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>2023<br/>AED</b> | <b>2022<br/>AED</b> |
| Sundry debtors                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 1,604,722           | 1,113,018           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1,604,722</b>    | <b>1,113,018</b>    |
| <b>6.1 Ageing of trade receivables</b>                                                                                                                                                                                                                                                                                                                                                                                                                                         |                     |                     |
| Due for less than six months                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 1,604,722           | 1,113,018           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1,604,722</b>    | <b>1,113,018</b>    |
| <b>6.2 Geographical analysis</b>                                                                                                                                                                                                                                                                                                                                                                                                                                               |                     |                     |
| Outside United Arab Emirates                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 1,417,809           | 943,510             |
| Within United Arab Emirates                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 186,913             | 169,508             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1,604,722</b>    | <b>1,113,018</b>    |
| <b>6.3</b> The fair value of trade receivables is not materially different from their balances shown in the financial position. The management has adopted IFRS 9, and the resultant impact of the same did not have any significant impact either on the Statement of comprehensive income or on the retained earnings of the Company. The management however, considers the trade receivables are good and recoverable in the normal course of business unless provided for. |                     |                     |
| <b>7 Other receivables</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>2023<br/>AED</b> | <b>2022<br/>AED</b> |
| Prepaid expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 5,369               | 5,532               |
| Advance to suppliers                                                                                                                                                                                                                                                                                                                                                                                                                                                           | -                   | 28,474              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>5,369</b>        | <b>34,006</b>       |



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**Notes to the financial statements for the year ended March 31, 2023**

|                                               |                  |                  |
|-----------------------------------------------|------------------|------------------|
| <b>8 Cash and cash equivalents</b>            | <b>2023</b>      | <b>2022</b>      |
|                                               | <b>AED</b>       | <b>AED</b>       |
| Balances at banks                             | 172,852          | 30,066           |
|                                               | <b>172,852</b>   | <b>30,066</b>    |
| <b>9 Trade payables</b>                       | <b>2023</b>      | <b>2022</b>      |
|                                               | <b>AED</b>       | <b>AED</b>       |
| Sundry creditors                              | 908,533          | 99,388           |
|                                               | <b>908,533</b>   | <b>99,388</b>    |
| <b>10 Other payables</b>                      | <b>2023</b>      | <b>2022</b>      |
|                                               | <b>AED</b>       | <b>AED</b>       |
| Advance from customer                         | 6,100            | 14,251           |
|                                               | <b>6,100</b>     | <b>14,251</b>    |
| <b>11 Revenue</b>                             | <b>2023</b>      | <b>2022</b>      |
|                                               | <b>AED</b>       | <b>AED</b>       |
| Sale of goods                                 | 4,472,913        | 5,807,163        |
|                                               | <b>4,472,913</b> | <b>5,807,163</b> |
| <b>12 Cost of sales</b>                       | <b>2023</b>      | <b>2022</b>      |
|                                               | <b>AED</b>       | <b>AED</b>       |
| Inventories at the beginning of the year      | 820,083          | 1,236,026        |
| Purchases including direct costs              | 3,116,895        | 5,126,158        |
| Inventories at the end of the year            | (1,379)          | (820,083)        |
|                                               | <b>3,935,599</b> | <b>5,542,101</b> |
| <b>13 General and administrative expenses</b> | <b>2023</b>      | <b>2022</b>      |
|                                               | <b>AED</b>       | <b>AED</b>       |
| Salary and benefits                           | -                | 61,395           |
| Legal and professional                        | 35,665           | 41,314           |
| Bad debts                                     | -                | 500              |
|                                               | <b>35,665</b>    | <b>103,209</b>   |
| <b>14 Finance charges</b>                     | <b>2023</b>      | <b>2022</b>      |
|                                               | <b>AED</b>       | <b>AED</b>       |
| Bank charges                                  | 13,458           | 11,476           |
|                                               | <b>13,458</b>    | <b>11,476</b>    |
| <b>15 Going concern</b>                       |                  |                  |

The management has prepared the financial statements on a going concern basis which assumes that the Company will continue to operate as a going concern for a foreseeable future.



Notes to the financial statements for the year ended March 31, 2023

16 Risk management

16.1 Credit risk

Credit risk is limited to the carrying values of financial assets in the statement of financial position, and is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company was exposed to credit risk on the following balances:

|                                   | 2023<br>AED      | 2022<br>AED      |
|-----------------------------------|------------------|------------------|
| Due from related party (note 5.2) | 949,044          | 570,959          |
| Trade receivables (note 6)        | 1,604,722        | 1,113,018        |
| Bank balance (note 8)             | 172,852          | 30,066           |
|                                   | <b>2,726,618</b> | <b>1,714,043</b> |

The Company seeks to limit its credit risk with respect to banks by dealing with reputable banks.

The Company is exposed to credit risk in respect of the dues from trade debtors. The Company limits its credit risk on its trade debtors through regular monitoring by the management of the recovery process on an ongoing basis and are considered recoverable by the management of the Company.

16.2 Foreign currency risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to the change in foreign exchange rate and adversely affect the Company.

Most of the Company transactions are carried out in AED. Exposure to currency exchange rates arise from the Company's overseas transactions, which are primarily denominated in US dollars (USD). Since the AED is pegged to USD, there is no currency risk with regard to the USD.

16.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no significant variable interest-bearing financial assets or liabilities at the reporting date. The interest-bearing loans and borrowings as at the reporting date bear fixed interest rate.

16.4 Liquidity risk

Liquidity risk is the risk that the Company may not have sufficient liquid funds to meet its liabilities as they fall due. Prudent liquidity risk management requires maintaining sufficient cash and the availability of funding to meet obligations when due. The Company limits its liquidity risk by ensuring bank facilities and funds from the shareholder are available, as required.

The Company's terms of contract require amounts to be paid within 90 days of the date of invoice.

Trade payables are normally settled within 90 days of the date of purchase.

The table below summarises the maturities of the Company's undiscounted financial liabilities based on contractual payment dates.

|                               | 2023<br>AED      | 2022<br>AED      |
|-------------------------------|------------------|------------------|
| Due to related party (note 5) | 1,157,237        | 2,281,188        |
| Trade payables (note 9)       | 908,533          | 99,388           |
|                               | <b>2,065,770</b> | <b>2,380,576</b> |



Notes to the financial statements for the year ended March 31, 2023

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**17 Capital management**

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise Shareholder's value.

The Company manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the year. Equity comprises of share capital and retained earnings.

**18 Contingent Liabilities**

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability or capital commitment on Company's account as at the date of financial position.

**19 Significant events occurring after the date of financial statements**

There were no significant events occurring after the date of financial statements which will have any material effect on the working or the financial position of the Company.

**20 Comparative information**

Previous year's figures have been reclassified/regrouped wherever necessary to conform to the current year presentation and make them comparable.

