

AOL (FZE)
SAIF ZONE, SHARJAH, U.A.E
COMBINED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED MARCH 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To
The Shareholder
M/s. AOL (FZE)
P.O. Box 121657
SAIF Zone, Sharjah, U.A.E

We have audited the accompanying combined financial statements of **M/s. AOL (FZE) Sharjah, U.A.E.** & its branch **M/s. AOL FRP Division**, which comprise of the statement of financial position as at **March 31, 2017** and the combined statement of comprehensive income, combined statement of changes in shareholders' equity and statement of cash flow for the year then ended and a summary of significant accounting policies and other explanatory notes are setout on pages 5 to 18.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance, whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the combined financial statements present fairly, in all material respects, the financial position of **M/s. AOL (FZE), Sharjah, U.A.E.** & its branch **M/s. AOL FRP Division**, as of **March 31, 2017** and of its combined financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

For FALCON INTERNATIONAL CONSULTING & AUDITING
Chartered Accountants


Managing Partner
(Rakesh Jain)
Reg. No. 606



May 09, 2017

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AOL FZE
BALANCE SHEET AS AT 31 MARCH 2017



	Notes	31 March 2017 AED	31 March 2016 AED
Equity and liabilities			
Shareholders' funds			
Share capital	4	87,900,000	87,900,000
Reserves and surplus	5	(7,241,881)	(11,718,368)
		80,658,119	76,181,632
Non-current liabilities			
Long-term borrowings	6	3,088,355	5,656,939
Long-term provisions	7	101,404	753,368
		3,189,759	6,410,307
Current liabilities			
Short-term borrowings	8	29,863,805	23,584,289
Trade payables	9	4,332,516	2,573,598
Other current liabilities	9	3,205,525	3,197,458
		37,401,846	29,355,345
TOTAL		121,249,724	111,947,284
Assets			
Non-current assets			
Fixed assets			
Property, Plant and Equipment	10	15,557,053	16,294,318
Capital work-in-progress		2,811,474	332,186
Non-current investments	11	4	300,004
Long-term loans and advances	12	5,469,501	1,776,950
Other non-current assets	13	35,417	17,667
		23,873,449	18,721,125
Current assets			
Inventories	14	1,287,055	465,874
Trade receivables	15	19,998,185	22,164,306
Cash and Cash equivalents	16	55,176	58,297
Short-term loans and advances	12	76,035,859	70,537,682
		97,376,275	93,226,159
TOTAL		121,249,724	111,947,284

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

The report of the auditor is set out on page 1.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgements underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Approved by the Management on May 09, 2017

For AOL (FZE)

Handwritten signature
Managing Director



AOL FZE

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

	Notes	31 March 2017 AED	31-Mar-16 AED
Income			
Revenue from operations (gross)	17	17,663,950	9,113,827
Other Income	18	104,374	8,750
Total revenue (I)		17,768,324	9,122,577
Expenses			
Cost of raw material and components consumed	19	9,546,743	5,058,288
Purchase of traded goods	20	2,085,289	-
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	21	(405,193)	60,433
Employee benefits expense	22	3,458,978	3,825,789
Other expense	23	3,058,855	2,465,647
Total expense (II)		17,744,672	11,410,157
Earnings before depreciation, amortization, interest, exceptional items and tax (EBIDTA), (I) – (II)		23,652	(2,287,580)
Depreciation and amortization expense	24	1,083,856	1,059,347
Finance costs	25	1,256,233	1,036,001
Profit for the year		(2,316,437)	(4,382,928)

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

The report of the auditor is set out on page 1.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgements underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Approved by the Management on May 09, 2017

For AOL (FZE)

Shandha

Managing Director





AOL FZE

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

	31 March 2017 AED	31 March 2016 AED
A. Cash flow from operating activities		
Profit before tax	(2,316,437)	(4,382,928)
Profit before tax	(2,316,437)	(4,382,928)
Non-cash adjustment to reconcile profit before tax to net cash flows		
(Profit) /Loss on sale of Fixed Assets	(2,943)	-
Depreciation/ amortization on continuing operation	1,083,856	1,059,347
Finance costs	1,256,233	1,036,001
Operating profit before working capital changes	20,709	(2,287,580)
Movements in working capital :		
Increase/ (decrease) in trade and other payables	869,166	714,118
Decrease / (increase) in trade receivables	2,890,382	(213,622)
Decrease / (increase) in inventories	(821,181)	(95,322)
Decrease / (increase) in other receivables	(2,595,668)	(4,464,668)
Net cash flow from/ (used in) operating activities (A)	363,408	(6,347,074)
B. Cash flows from investing activities		
Purchase of fixed assets, including CWIP	(2,825,473)	(370,054)
Proceeds from sale of fixed assets	4,245	-
Net cash flow from/ (used in) investing activities (B)	(2,821,228)	(370,054)
C. Cash flows from financing activities		
Proceeds/(Repayment) of long-term borrowings	(2,568,584)	(2,564,134)
Proceeds/(Repayment) of Short-term borrowings	6,279,516	10,133,554
Finance costs	(1,256,233)	(1,036,001)
Net cash flow from/ (used in) in financing activities (C)	2,454,699	6,533,419
Net increase/(decrease) in cash and cash equivalents	(3,121)	(183,709)
Cash and cash equivalents at the beginning of the year	58,297	242,006
Cash and cash equivalents at the end of the year	55,176	58,297
Components of cash and cash equivalents		
Cash on hand		
With banks- on current account	55,176	58,297
Total cash and cash equivalents (note 16)	55,176	58,297

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

The report of the auditor is set out on page 1.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgements underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Approved by the Management on May 09, 2017

For AOL (FZE)

Managing Director





AOL (FZE)
SAIF ZONE, SHARJAH, U.A.E

Notes to the Financial Statements for the year ended March 31, 2017

1. LEGAL STATUS & BUSINESS ACTIVITIES

- a) **AOL (FZE)** (“the Establishment”) was registered with the Sharjah Airport International Free Zone, Sharjah-U.A.E (License no. 08437) as a Free Zone Establishment on August 17, 2010 and the license is valid up to August 16, 2017.
- b) **AOL FRP Division (Branch)** (“the Branch”) was registered with the Jebel Ali Free Zone Authority, Dubai, UAE (Industrial License no. 139032 & commercial License no. 139033) as a branch of AOL (FZE) on September 05, 2013 and the license is valid up to September 04, 2017.
- c) On November 27, 2016, **AOL Projects DMCC** (License no. DMCC-66318) which was 100% subsidiary of AOL FZE was Liquidated
- d) The Company is engaged in the activity of general trading, fiber optic cables & wires manufacturing and wires.
- e) The management and control of the Company is vested with Dr. Kailash Shanti Lal Choudhari (Indian national).
- f) The registered office address of the Company is P. O. Box. 121657, Sharjah, United Arab Emirates.

SHARE CAPITAL

Authorized, issued and paid up capital of the group is AED 87,900,000 divided into 586 shares of AED 150,000 each fully paid and held by the shareholder as follows:

SI No.	Name of the Shareholder	Nationality	No. of Shares	Amount (AED)	%
1.	M/s. Aksh Optifibre Limited	Indian Co.	586	87,900,000	100
			586	87,900,000	100

2. BASIS OF PREPARATION

2.1 Statement of compliance:

These financial statements have been prepared in accordance with International Financial Accounting Standards for Small & Medium-sized Entities (IFRS for SMEs) Issued by International Accounting Standards Boards (IASB)

2.2 Basis of measurement and preparation

These financial statements have been prepared under going concern assumption and historical cost convention.

The financial statements include the financial statements of **AOL (FZE)** and its branch **AOL FRP Division** as mentioned in Note No. 1. These financial statements have been combined on a line by line basis by adding together like items of assets, liabilities, equity, income and expenses. Intra group transactions have been eliminated.



2.3 Basis of accounting & coverage:

The company follows the accrual basis of accounting, except for statement of cash flows which is presented on cash basis. Under accrual basis, the transactions and events are recognized as and when they occur and are recorded in the financial statements for the period to which they relate to.

The financial statements enclosed cover the period 1st April 2016 to 31st March 2017. Previous year figures are for the period 1st April 2015 to 31st March 2015 and have been regrouped wherever necessary.

2.4 Functional & presentation currency:

The financial statements are presented in United Arab Emirates Dirham (AED), which is also the company's functional currency. All financial information presented in AED has been rounded off to the nearest UAE Dirham.

2.5 Use of estimates & judgments:

The preparation of financial statements in conformity with IFRS for SMEs requires management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected & same are mentioned under respective accounting policy note. The following accounting estimates and management judgments have been considered, which are material in nature, in the preparation of financial statements.

Useful lives of property, plant & equipment:

Company's management estimates the useful life of property, plant & equipment & residual value for calculating depreciation. It reviews the estimated life & residual value on annual basis & future depreciation expense would be adjusted where the management believes that useful life differs from the previous estimates

Impairment of accounts receivables:

Accounts receivables are subjected to recoverability test on a periodical basis when collection of full amount is no longer probable. Accounts receivable balances which are individually significant, are verified for ageing, subsequent receipts & balance confirmations. Accounts receivable balances which are individually not material, are assessed collectively & estimated reserve for impairment of accounts receivables is created if same is outstanding for beyond normal credit terms & doubtful.

Obsolescence of inventories:

Inventories are subjected to ageing & obsolescence test on a periodical basis by management on damaged, obsolete and slow moving inventories. These reviews require judgments and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. Management estimates that inventories are fully realizable at value stated therein and reserve for obsolescence of inventories is not required against the same.



3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been consistently applied by the management in preparation of the financial statements except where stated here under:

3.1 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost is depreciated on pro rata basis using the straight-line method over the estimated useful lives as determined by the management.

Property, plant & equipment are, at the reporting date, subject to impairment. Where any indication of impairment exists, the carrying amount is written down to its recoverable amount.

The management's estimate of useful life of various assets is as follows:

Building	30 Years
Office Equipments	05 Years
Plant & Machinery	15 Years
Furniture & fixtures	10 Years
Vehicles	08 Years
Computers	03 Years

A decline in the value of property, plant and equipment could have a significant effect on the amounts recognised in these financial statements. Management assesses the impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

3.2 Investment

Investment in shares is measured at cost which represents the payment made till the balance sheet date. All gains or losses on sale of investment are recognized in the statement of income as and when they arise.

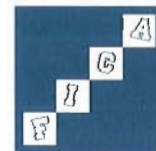
3.3 Revenue recognition

Revenue from sale of goods is recognized when all the following conditions are satisfied.

- i. The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ii. The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- iii. The amount of revenue can be measured reliably.
- iv. It is probable that the economic benefit associated with the transaction will flow to the Company; and
- v. The cost incurred or to be incurred in respect of the transaction can be measured reliably.

3.4 Expenditure

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities. Expenses are presented in the statement of comprehensive income, classified according to the function of expense.



3.5 Staff end-of-service benefits

Employee benefits have been provided for in accordance with the contractual terms with the employees, but are however subject to minimum of UAE Labour Law requirements. The accrual relating to annual leave and leave passage, is disclosed as a current liability, while the provision relating to end of service benefits is disclosed as a non-current liability.

3.6 Provisions & contingencies

Provisions are recognized when the company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits would be required to settle these obligations and a reliable estimate of the same can be made. Contingent liabilities are not recognized but are disclosed in the notes to financial statements. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When likelihood of outflow is remote, no provision or disclosure is made.

3.7 Related party transactions

The company enters into transactions with another company and person that falls within the definition of a related party as per the International Financial Reporting Standards for Small & Medium-sized Entities (IFRS for SMEs).

The terms of trade with such related party is based on commercial terms & conditions agreed upon with them by the management.

Related parties with whom the company has entered into transactions during the year under review comprise of group companies, shareholders and key management personnel as stated hereunder:

Name of the related parties	Relation
AOL Projects DMCC, (U.A.E)	Subsidiary Company
Aksh Optifiber Limited, India	Holding Comapny
Dr. Kailash Shantilal Choudhari	Director & Key management personnel.

Transactions which were entered into with related parties is disclosed under note 26 of the financial statement.

3.8 Foreign Currency transactions

Transactions in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling at the balance sheet date.

Gains or losses resulting from foreign currency transactions are taken to the Comprehensive income statement.

3.9 Inventories

Inventories are carried at lower of cost and net realizable value (estimated selling price less cost to complete and selling expenses).

Raw material and packing material cost includes aggregate of purchase price, including applicable cost to bring the inventory to the present condition, valued at 'first-in-first-out' method.



Finished goods include cost of direct material, direct labour, packaging costs, other direct costs and allocation of production related overheads.

Any excess of carrying amount, over the net realizable value is charged immediately as obsolescence loss through statement of comprehensive income. Inventory items, which are perishable in nature, if any, has been fully provided for.

3.10 Financial Instruments

The company recognizes a financial instrument (being a financial asset or financial liability) only when the company becomes a part of the contractual provisions of the instrument. Accounting policy relevant to each type of financial instrument is as follows:

Cash & cash equivalents:

Cash & cash equivalents for the purpose of cash flow statement comprises of cash on hand & balance with bank in current accounts

Accounts receivables:

Accounts receivables are amounts due from customers towards sale of goods or providing of service in the ordinary course of business. Accounts receivables are recognized initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less reserve for impairment of accounts receivables. A reserve for impairment of accounts receivables is recognised when it is probable that the company will not be able to collect all amounts due according to original terms of the accounts receivables.

Accounts payable:

Accounts payable represent obligations towards purchase of goods in the ordinary course of business. Same is free of interest & payable at the end of credit period granted by the suppliers. Accounts payable are recognized initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method.

Other financial assets:

Other financial assets are recognised initially at transaction value and subsequently measured at amortised cost using the effective interest method less impairment. However, all other financial assets have a value on realization in the ordinary course of the company's business, which is at least equal to the amount at which they are stated in the statement of financial position.

Other financial liabilities:

Other financial liabilities, including borrowings, are initially measured at transaction value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

3.11 Financial, capital risk management & fair value information:

Credit, liquidity & market rate risk:

Credit risk:

Credit risk is the risk of financial loss to the company if a customer or counter-party to a financial instrument fails to meet its contractual obligations. The company's cash is placed with banks of repute.



The exposure to credit risk on trade receivables and amounts due from related parties are monitored on an ongoing basis by the management and these are considered recoverable by the company's management.

Liquidity risk:

Liquidity risk is the risk that the company will not be able to meet its financial obligations as and when it falls due. The company's assets are sufficient to cover its financial obligations.

The table below summarizes the maturity profile of the company's financial liabilities on contractual undiscounted payments:

Amount in U.A.E. Dirhams (AED)

As on 31st March 2017	Total
Borrowings	32,952,160
Trade payables	4,332,516
Provisions, accruals & other liabilities	3,306,929
Total	40,591,605

As on 31st March 2016	Total
Borrowings	29,241,228
Accounts payable	2,573,598
Provisions, accruals & other liabilities	3,950,826
	35,765,652

Market risk:

Market risk is the risk that changes in market prices, such as investment prices, interest rates and currency rates will affect the company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Interest rate risk:

Interest rate risk is the risk of variability in profit due to change in interest rates on interest bearing assets and interest bearing liabilities. The interest rate on the company's financial instruments is based on market rates.

Currency risk:

Currency risk faced by the company is minimal as there are minimal foreign currency transactions. Most of the monetary assets and liabilities are denominated in UAE Dirhams (AED) or in United States Dollar (USD), which is pegged to AED.

3.12 Capital management

The company's policy is to maintain a strong capital base so as to maintain lender and creditor confidence and to sustain future development of the business.

AOL FZE
Notes to financial statements for the year ended 31 March 2017



4. Share capital

	31 March 2017 AED	31 March 2016 AED
Shares Capital		
586 (31 March 2016: 586) Equity Shares of AED 150,000 each	87,900,000	87,900,000
Total Issued, subscribed and fully paid-up share capital	87,900,000	87,900,000

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	31 March 2017		31 March 2016	
	No.	AED	No.	AED
At the beginning of the year	586	87,900,000	586	87,900,000
Add:				
- Issued	-	-	-	-
Outstanding at the end of the year	586	87,900,000	586	87,900,000

5. Reserves and surplus

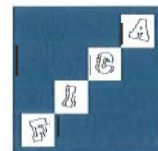
	31 March 2017 AED	31 March 2016 AED
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	(11,718,368)	(7,335,440)
Add: Reserves and Surplus of Subsidiary Company	6,792,924	-
Profit/(Loss) for the year	(2,316,437)	(4,382,928)
Net Surplus/(Deficit) in the statement of profit and loss	(7,241,881)	(11,718,368)

6. Long-term borrowings

	Non-current		Current	
	31 March 2017 AED	31 March 2016 AED	31 March 2017 AED	31 March 2016 AED
Term Loans				
Secured Loans				
Term Loan from Bank of Baroda	3,046,100	5,541,699	2,495,600	2,495,600
Car Loan from Bank of Baroda	15,582	60,509	44,927	42,325
Emirates Islamic Bank-Car Loan	26,673	54,731	28,058	27,011
Amount disclosed under the head "other current liabilities" (note 9)	-	-	(2,568,585)	(2,564,936)
	3,088,355	5,656,939	-	-

AOL FZE

Notes to financial statements for the year ended 31 March 2017



1. Term Loan from Bank of Baroda are secured by way of charge on fixed assets of the Company, personal guarantee of Dr. Kailash S. Choudhari and Corporate Guarantee of M/s Aksh Optifibre Limited.
2. Secured Car loan taken from Bank of Baroda against the hypothecation of Car.
3. Secured Car loan taken from Emirates Islamic Bank against the hypothecation of Car.

7. Long Term Provisions

	Long-term		Short-term	
	31 March 2017 AED	31 March 2016 AED	31 March 2017 AED	31 March 2016 AED
Provision for Gratuity and Compensated Absences	101,404	753,368	-	-
	101,404	753,368	-	-

8. Short-term borrowings

	31 March 2017 AED	31 March 2016 AED
Unsecured Loans		
Loan from Holding Company repayable on demand	25,413,103	23,584,289
Loan from Others repayable on demand	4,450,702	-
	29,863,805	23,584,289

9. Other current liabilities

	31 March 2017 AED	31 March 2016 AED
Trade payables (including acceptances)	4,332,516	2,573,598
Other liabilities		
Current maturities of long term debt (refer note no 6)	2,568,585	2,564,936
Other current liabilities	636,940	632,522
	3,205,525	3,197,458
	7,538,041	5,771,056



AOL FZE

Notes to financial statements for the year ended 31 March 2017

10. Property, Plant and Equipment

Nature of assets	Amount in AED						Total
	Building	Plant & Machinery	Furniture & Fixture	Vehicles	Office equipments	Computers / Laptops	
Cost or valuation							
At 1 April, 2015	2,981,302	14,520,374	15,415	333,149	20,764	5,097	17,876,101
Additions	-	32,609	3,054	-	2,205	-	37,868
Disposals / adjustments	-	-	-	-	-	-	-
At 31 March, 2016	2,981,302	14,552,983	18,469	333,149	22,969	5,097	17,913,969
Additions	-	299,368	2,662	45,352	1,825	-	349,207
Disposals / adjustments	-	-	-	-	(7,267)	3,022	(4,245)
At 31 March, 2017	2,981,302	14,852,351	21,131	378,501	17,527	8,119	18,258,931
Depreciation							
At 1 April, 2015	51,267	498,602	1,103	7,733	724	875	560,304
Charge for the year	94,249	918,230	1,591	39,655	3,934	1,688	1,059,347
Disposals / adjustments	-	-	-	-	-	-	-
At 31 March, 2016	145,516	1,416,832	2,694	47,388	4,658	2,563	1,619,651
Charge for the year	94,507	936,697	1,952	44,184	4,574	1,942	1,083,856
Disposals / adjustments	-	-	-	-	(2,943)	1,314	(1,629)
At 31 March, 2017	240,023	2,353,529	4,646	91,572	6,289	5,819	2,701,878
Net Block							
At 31 March, 2016	2,835,786	13,136,151	15,775	285,761	18,311	2,534	16,294,318
At 31 March, 2017	2,741,279	12,498,822	16,485	286,929	11,238	2,300	15,557,053

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Notes to financial statements for the year ended 31 March 2017

11. Non-current investments



	31 March 2017 AED	31 March 2016 AED
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
<i>Investment in Eminent One Ventures Limited</i>		
One (31 st March 2016: One) Equity Share of AED 3.67 (rounded off to AED 4)	4	4
<i>Investment in AOL Projects DMCC</i>		
Nil (31 st March 2016: 300) Equity Shares of AED 1,000 each)	-	300,000
	4	300,004

12. Loans and advances (Unsecured, considered good unless stated otherwise)

	Non-current		Current	
	31 March 2017 AED	31 March 2016 AED	31 March 2017 AED	31 March 2016 AED
Capital advances	5,469,501	1,776,950	-	-
Advances recoverable in cash or kind	-	-	76,035,859	70,537,682
	5,469,501	1,776,950	76,035,859	70,537,682

13. Other assets

	Non-current		Current	
	31 March 2017 AED	31 March 2016 AED	31 March 2017 AED	31 March 2016 AED
LC Margin with Bank of Baroda	35,417	17,667	-	-
	35,417	17,667	-	-

14. Inventories (valued at lower of cost and net realizable value)

	31 March 2017 AED	31 March 2016 AED
i) Finished Goods and Traded Goods	126,098	-
ii) Consumable Item	52,502	-
iii) Raw Material	561,230	205,501
iv) Semi Finished Goods	407,220	128,125
v) Packing Material	140,005	132,248
	1,287,055	465,874

15. Trade receivables

	Non-current		Current	
	31 March 2017 AED	31 March 2016 AED	31 March 2017 AED	31 March 2016 AED
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment	-	-	18,872,211	19,628,362
Other receivables	-	-	1,125,974	2,535,944
	-	-	19,998,185	22,164,306

16. Cash and cash equivalents

	Non-current		Current	
	31 March 2017 AED	31 March 2016 AED	31 March 2017 AED	31 March 2016 AED
Cash and cash equivalents				
Balances with banks:				
- On current accounts	-	-	55,176	58,297
Cash on hand	-	-	-	-
	-	-	55,176	58,297

AOL FZE

Notes to financial statements for the Year ended March 31, 2017


17. Revenue from operations

	31 March 2017 AED	31 March 2016 AED
Revenue from operations		
Sale of products		
- Finished goods	15,150,154	9,010,913
- Traded goods	2,429,985	-
Sale of services	60,000	60,000
Other operating revenue		
-Scrap sales	23,811	42,914
	17,663,950	9,113,827

18. Other Income

	31 March 2017 AED	31 March 2016 AED
Other non-operating income	104,374	8,750
	104,374	8,750

19. Cost of raw material and components consumed

	31 March 2017 AED	31 March 2016 AED
Inventory at the beginning of the year	205,501	181,994
Add: Purchases	9,902,472	5,081,795
	10,107,973	5,263,789
Less: inventory at the end of the year	561,230	205,501
Cost of raw material and components consumed	9,546,743	5,058,288

20. Details of purchase of traded goods

	31 March 2017 AED	31 March 2016 AED
Telecom and electronic items	2,085,289	-
	2,085,289	-

21. (Increase)/ decrease in inventories

	(Increase)/ Decrease AED	31 March 2017 AED	31 March 2016 AED
Inventories at the end of the year			
Finished/Traded Goods	(126,098)	126,098	-
Semi Finished Goods	(279,095)	407,220	128,125
	(405,193)	533,318	128,125
Inventories at the beginning of the year			
Finished/Traded Goods	-	-	-
Semi Finished Goods	60,433	128,125	188,558
	60,433	128,125	188,558

AOL FZE**Notes to financial statements for the Year ended March 31, 2017****22. Employee benefits expense**

	31 March 2017	31 March 2016
	AED	AED
Salaries, wages and bonus	2,934,768	3,264,212
Gratuity	300,505	144,626
Staff welfare expenses	223,705	416,951
	3,458,978	3,825,789

23. Other expenses

	31 March 2017	31 March 2016
	AED	AED
Consumption of stores and spares	171,650	125,429
Packing Material Consumed	676,421	573,110
Power and Fuel	452,972	427,282
Travelling and Conveyance	170,104	53,683
Postage and Telephone	41,300	33,334
Insurance	137,825	39,372
Rent	373,400	304,464
Professional and Legal Expenses	23,200	22,895
Repair and Maintenance		
- Plant and Machinery	11,800	25,334
- Others	108,791	76,365
Marketing and Service Charges	289,237	298,269
Freight and Cartage (Outward)	292,141	155,151
Auditors' Remuneration	12,000	12,000
Bank Charges	97,050	135,504
Other Expenses	200,964	183,455
	3,058,855	2,465,647

24. Depreciation and amortization expense

	31 March 2017	31 March 2016
	AED	AED
Depreciation on Property, Plant and Equipment	1,083,856	1,059,347
	1,083,856	1,059,347

25. Finance costs

	31 March 2017	31 March 2016
	AED	AED
Interest	1,256,233	1,036,001
	1,256,233	1,036,001

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Notes to financial statements for the Year ended 31 March 2017



	31 March 2017 AED	31 March 2016 AED
26 CONTINGENT LIABILITIES		
Capital commitments	13,311,661	18,839,211

Except for the above and ongoing business obligation which are under normal course of a business against which no loss is expected, there has been no other known contingent liability or capital commitment on on Company's account as of balance sheet date.

27 RELATED PARTY TRANSACTION

The Company enters into transactions with entities that fall within the definition of a related party.

The management considers such transactions to be in the normal course of business.

Related parties comprise companies under common ownership and/or common management control / shareholders and directors.

Balance due to/(from) as at

	31 March 2017 AED	31 March 2016 AED
Investment		
AOL Projects DMCC (Subsidiary Company)	-	300,000
Loan and Advances		
Aksh Optifibre Limited, India (Holding Company)	25,413,103	23,584,289
AOL Projects DMCC (Subsidiary Company)	-	(76,734)
Trade and other Payables		
Aksh Optifibre Limited, India (Holding Company)	2,260,788	945,784
Director Remuneration		
Dr. Kailash Shantilal Choudhari	-	230,000

Transactions

	Holding Company/Subsi diaries AED	Key Management Personnel AED	31 March 2017 Total AED	31 March 2016 Total AED
Repayment of loan taken	-	-	-	12,066
Loan Given	164,121	-	164,121	76,734
Loan Taken	1,101,000	-	1,101,000	9,747,516
Sales	704,113	-	704,113	233,032
Purchases	3,254,512	-	3,254,512	945,784
Services Rendered	60,000	-	60,000	60,000
Re-imbursment of expenses-received	131,046	-	131,046	495,000
Re-imbursment of expenses-paid	-	-	-	47,716
Remuneration paid	-	2,760,000	2,760,000	2,760,000
Interest expenses	727,814	-	727,814	386,038

28 COMPARATIVE AMOUNTS

Previous year's figures have been reworked, regrouped, rearranged and reclassified to conform to those of current year's figures wherever necessary.

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

The report of the auditor is set out on page 1.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgements underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

29 Segment Information
Identification of reportable segments

For management purpose the group is organised into business units based on its activity and services and has three reportable operating segments as follows:

1. Manufacturing segment.
2. Service segment.
3. Trading segment.

Particulars	Amount in AED					
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Segment Revenue						
External Turnover	15,173,965	9,053,827	60,000	60,000	17,663,950	9,113,827
Inter Segment Turnover	-	-	-	-	-	-
Total Revenue	15,173,965	9,053,827	60,000	60,000	17,663,950	9,113,827
Segment Results before Interest	649,395	(25,106)	59,672	60,000	(503,956)	(469,062)
Less : Finance Costs	-	-	-	-	1,256,233	1,036,001
Add : Interest Income	-	-	-	-	-	-
Add : Exceptional Items	-	-	-	-	-	-
Add/(Less): Unallocated (Expenses)/Income	-	-	-	-	(2,097,290)	(2,877,865)
Profit before Tax	649,395	(25,106)	59,672	60,000	(2,316,437)	(4,382,928)
Other Information						
Segment Assets	26,376,052	21,456,365	725,641	-	24,485,259	45,941,624
Unallocated Assets	-	-	-	-	66,005,660	66,005,660
Total Assets	26,376,052	21,456,365	725,641	-	121,249,724	111,947,284
Segment Liabilities	14,380,306	11,125,467	5,000	-	15,178,502	12,181,363
Unallocated Liability	-	-	-	-	25,413,103	23,584,289
Share Capital & reserves	-	-	-	-	80,658,119	76,181,632
Total Liabilities	14,380,306	11,125,467	5,000	-	121,249,724	111,947,284
Capital Expenditure	2,826,453	-	-	-	2,828,495	-
Depreciation and Amortization	1,057,311	1,033,229	328	-	26,217	1,083,856
					26,118	1,059,347

Approved by the Management on May 09, 2017

For AOL (FZE),

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Managing Director

