


AOL TECHNOLOGIES FZE
Balance Sheet as at March 31, 2023

	Notes	AED 31/Mar/23	AED 31/Mar/22
Assets			
Non-current assets			
Property, Plant and Equipment	3a	52,20,886	55,82,759
Capital work-in-progress	4	4,53,18,520	4,53,18,520
Financial assets			
Loans	5	-	-
Other non-current assets	6	-	-
		5,05,39,406	5,09,01,279
Current assets			
Financial Assets			
Cash and cash equivalents	7	500	500
Loans	5	-	13,195
Other current assets	6	2,17,995	3,46,368
		2,18,495	3,60,063
Total Assets		5,07,57,901	5,12,61,342
Equity and liabilities			
Equity			
Share Capital	8	2,73,21,240	2,73,21,240
Other Equity	8	(73,33,265)	(55,58,586)
		1,99,87,975	2,17,62,654
Non-current liabilities			
Financial Liabilities			
Borrowings	9	-	-
Other Financial Liabilities	11	70,89,968	72,97,256
		70,89,968	72,97,256
Current liabilities			
Financial liabilities			
Borrowings	10	-	-
Other	11	2,36,79,957	2,22,01,432
Provisions	12	-	-
		2,36,79,957	2,22,01,432
Total Equity and liabilities		5,07,57,901	5,12,61,342

Approved by the Management on
For AOL TECHNOLOGIES FZE


Managing Director

AOL TECHNOLOGIES FZE

Statement of Profit and Loss for the year ended March 31, 2023

	Notes	AED	
		31/Mar/23	31/Mar/22
Income			
Revenue from operations	13	-	-
Other income	14	-	-
Total revenue (I)		-	-
Expenses			
Cost of raw material and components consumed	15	-	-
Purchase of traded goods	16	-	-
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	17	-	-
Employee benefits expense	18	-	(870)
Finance costs	19	13,87,828	11,66,949
Depreciation and amortization expense	20	3,61,873	3,61,873
Other expense	21	32,483	25,962
Total expense (II)		17,82,184	15,53,914
(Loss) before exceptional items and tax, (I) - (II)		(17,82,184)	(15,53,914)
Exceptional Items	22	7,506	-
Profit / (loss) for the year		(17,74,679)	(15,53,914)
Other comprehensive income			
i) items that will be reclassified to Profit or Loss in subsequent periods		-	-
ii) Income Tax relating to these items		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/ (loss) for the year		(17,74,679)	(15,53,914)
Summary of significant Accounting policies	3		

AOL TECHNOLOGIES FZE


 Managing Director

AOL TECHNOLOGIES FZE
JABEL ALI FREE ZONE, DUBAI, U.A.E

Notes to the Financial Statements for the year ended March 31, 2023

1. LEGAL STATUS & BUSINESS ACTIVITIES

- a) AOL TECHNOLOGIES FZE (“the Establishment”) was registered with the Jabel Ali Free Zone, Dubai, U.A.E. as a Free Zone Establishment on August 17, 2017. Establishment is having trade license (license no 162379) and industrial license (license no 162380).
- b) The Company is engaged in the activity of wires and cable manufacturing/trading, fiber optic product and requisite manufacturing / trading.
- c) The management and control of the Company is vested with Dr. Kailash Shanti Lal Choudhari (Indian national).
- d) The registered office address of the Company is Plot No S30121B, Jabel Ali Free Zone, Dubai, United Arab Emirates.

SHARE CAPITAL

A) Equity Share Capital

Authorized, issued and paid up equity share capital of the company is AED 100,000 shares of AED 10 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.	100,000	1,000,000	100
			100,000	1,000,000	100

B) Preference Share Capital

Authorized, issued and paid up preference share capital of the company is AED 996,405 shares of 6% non-cumulative optionally convertible preference share of AED 10 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.	996,405	9,964,050	100
			996,405	9,964,050	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.

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 2022 to 31st March 2023. Previous year figures are for the period 1st April 2021 to 31st March 2022 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.

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 Capital work in progress

Although operation of the company has not started yet, due to extension of active development for long period, management has decided to suspend capitalization from January 2020 to March 2023 and the same has been transferred to statement of profit and loss and other comprehensive income. Cost before January 2020 has been capitalized.

3.2 Expenditure

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities. Expenses are classified as pre-operative expense and transferred in to capital work in progress till project suspended for capitalization.

3.3 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.

3.4 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.

3.5 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 Composites (Jiangsu) Co Ltd	Fellow Subsidiary
AOL FZE	Fellow Subsidiary
Aksh Composite Pvt. Ltd.	Fellow Subsidiary
Aksh Technologies Mauritius Ltd.	Fellow Subsidiary
Aksh Optifibre Limited, India	Holding Company
Dr. Kailash Shantilal Choudhari	Key management personnel.

Transactions which were entered into with related parties is disclosed under note 16 of the financial statement.

3.6 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.

3.7 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.

3.8 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) (In Lakhs)
As on 31st March 2023	Total
Borrowings	157.71
Provisions, accruals & other liabilities	149.98
Total	307.69
As on 31st March 2022	Total
Borrowings	157.71
Provisions, accruals & other liabilities	137.27
	294.98

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.

3.9 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 TECHNOLOGIES FZE*Notes to standalone financial statements for the year ended March 31, 2023*

3 (a) Right of Use Assets	AED
	Right to use of Building
Movements during the year	
At April 1, 2021	66,69,370
Addition on account of Transition to Ind AS 116	-
Addition	-
Deletion	-
Balance as on March 31, 2022	66,69,370
Addition	-
Deletion	-
Balance as on March 31, 2023	66,69,370
Accumulated Depreciation	
At 1 April 2021	7,24,738
Addition	3,61,873
Deletion	-
Balance as on March 31, 2022	10,86,611
Addition	3,61,873
Deletion	-
Balance as on March 31, 2023	14,48,484
Net Block value	
At March 31, 2023	52,20,886
At March 31, 2022	55,82,759

(i) The Company has adopted IFRS 16 effective 1st April, 2019, using the modified retrospective method.

AOL TECHNOLOGIES FZE

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

4. Capital work-in-progress	AED	AED
	31/Mar/23	31/Mar/22
WIP		
Capital WIP Building	1,53,84,261	1,53,84,261
Capital WIP Plant & Machinery	2,16,00,424	2,16,00,424
Capital WIP Utility	1,21,110	1,21,110
WIP-Office Equipment	6,200	6,200
Pre-Operative Expenses	82,06,525	82,06,525
	4,53,18,520	4,53,18,520

5. Loans	AED	AED
	31/Mar/23	31/Mar/22
Non-Current		
Security deposit	-	-
Current		
Security deposit	-	13,195
	-	13,195

6. Other Assets	AED	AED
	31/Mar/23	31/Mar/22
Non-Current		
Capital advances	-	-
Total Other Non-Current Assets	-	-
Current		
Advances recoverable in cash or kind	0.00	0.00
Prepaid Expense	1,05,915	2,34,288
Balance With revenue authorities	1,12,080	1,12,080
Total Other Current Assets	2,17,995	3,46,368

7. Cash and Cash equivalents	AED	AED
	31/Mar/23	31/Mar/22
Balances with banks:		
On current accounts	500	500
Cash on hand	-	-
	500	500

AOL TECHNOLOGIES FZE

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

B. Share Capital	AED	
	31/Mar/23	31/Mar/22
Authorized Equity Shares (Nos) (AED 1000,000 Divided in to 100,000 Shares of AED 10 each)	10,00,000	10,00,000
Issued, subscribed and fully paid-up Equity shares (No.) (AED 1000,000 Divided in to 100,000 Shares of AED 10 each)	10,00,000	10,00,000
	<u>10,00,000</u>	<u>10,00,000</u>
26,32,124 (March 31 2022: 26,32,124) 6% non cumulative optionally convertible Preference share of Arab Emirates Dhiram (AED) 10/- each Investment in preference share, pending for allotment)	2,63,21,240	2,63,21,240
	<u>2,63,21,240</u>	<u>2,63,21,240</u>
Total	<u>2,73,21,240</u>	<u>2,73,21,240</u>

(a) Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period

		31/Mar/23	31/Mar/22
At the beginning of the year	Nos.	1,00,000	1,00,000
Add:			
Issued during the year	Nos.	-	-
Outstanding at the end of the year	Nos.	<u>1,00,000</u>	<u>1,00,000</u>
At the beginning of the year	Amount in AED	10,00,000	10,00,000
Add:			
Issued during the year	Amount in AED	-	-
Outstanding at the end of the year	Amount in AED	<u>10,00,000</u>	<u>10,00,000</u>

Terms/ rights attached to equity shares

(b) Reconciliation of the Preference shares outstanding at the beginning and at the end of the reporting period

		31/Mar/23	31/Mar/22
At the beginning of the year	Nos.	26,32,124	9,96,405
Add:			
Issued during the year	Nos.	-	16,35,719
Outstanding at the end of the year	Nos.	<u>26,32,124</u>	<u>26,32,124</u>
At the beginning of the year	Amount in AED	2,63,21,240	99,64,050
Add:			
Issued during the year	Amount in AED	-	1,63,57,190
Outstanding at the end of the year	Amount in AED	<u>2,63,21,240</u>	<u>2,63,21,240</u>

Terms/ rights attached to Preference Shares

(c) Other Equity

	31/Mar/23	31/Mar/22
Retained Earnings		
Balance as per the last financial statements	(55,58,586)	(40,04,672)
Less: Transitional Impact of IFRS 16	-	-
Loss for the year	(17,74,679)	(15,53,914)
Total Other Equity	<u>(73,33,265)</u>	<u>(55,58,586)</u>

AOL TECHNOLOGIES FZE

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

9. Long Term Borrowings	AED	
	31/Mar/23	31/Mar/22
Non-Current		
Term Loans		
Secured Loans		
Term Loan From Bank of Baroda	-	-
Foreign Currency Loan from holding Company	-	-
Total Non-Current long term borrowings	-	-
The above amount includes		
Secured borrowings	-	-
Unsecured borrowings	-	-
Current Maturities		
Term Loans		
Secured Loans		
Term Loan From Bank of Baroda	1,57,71,091	1,57,71,091
Total Current Maturities	1,57,71,091	1,57,71,091
The above amount includes		
Secured borrowings	1,57,71,091	1,57,71,091
Unsecured borrowings	-	-
Amount disclosed under the head "other financial liabilities" (note 11)	(1,57,71,091)	(1,57,71,091)
	-	-

Term loan from bank of Baroda carries interest rate 400 BPS over 3M LIBOR with minimum of 6% p.a and repayable in next 20 equal quarterly instalments. The loans are secured by way of first charge on fixed assets of the Company and further secured by personal guarantee of Dr. Kailash S Choudhari, SBLC from Union Bank of India for USD 4.457 Mn in favor of Bank of Baroda and Corporate guarantee of Aksh optifibre Limited.

10. Short Term Borrowings	AED	
	31/Mar/23	31/Mar/22
Unsecured Loans		
Loan from holding Company	-	-
Loan from Director	-	-
	-	-
Aggregate secured loans	-	-
Aggregate unsecured loans	-	-

11. Other financial Liabilities	AED	
	31/Mar/23	31/Mar/22
Non-Current		
Lease Liabilities (Pursuant to IFRS 16)	64,39,130	66,46,418
Others	6,50,838	6,50,838
	70,89,968	72,97,256
Current		
Current maturities of long term debt (Refer note No.9)	1,57,71,091	1,57,71,091
Others	79,08,867	64,30,341
	2,36,79,957	2,22,01,432

AOL TECHNOLOGIES FZE

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

12. Provisions	AED	AED
	31/Mar/23	31/Mar/22
Non-Current		
Provision for Gratuity & Compensated Absences	-	-
	-	-
Current		
Provision for Gratuity & Compensated Absences	-	-
	-	-
18. Employee benefits expense	AED	AED
	31/Mar/23	31/Mar/22
Gratuity	-	(1,232)
Salary	-	-
Visa Charges	-	-
Visa Cancelltion Charge	-	-
Travelling Expenses	-	362
Leave Encashment	-	-
	-	(870)

18. Finance costs	AED	AED
	31/Mar/23	31/Mar/22
Interest on Term Loan	8,23,406	7,20,053
Interest On Bank OD	1,25,229	-
Interest others	4,39,193	4,46,896
Bank Charges	-	-
	13,87,828	11,66,949

19. Depreciation and amortization expense	AED	AED
	31/Mar/23	31/Mar/22
Depreciation of Property plant & Equipment's		
Depreciation on Right to use of Assets (Lease Assets)	3,61,873	3,61,873
	3,61,873	3,61,873

20. Other expenses	AED	AED
	31/Mar/23	31/Mar/22
Travelling & Conveyance	-	-
Insurance	-	-
Professional & Legal Expenses	5,250	10,000
Auditors' Remuneration	-	-
Other Expenses	27,233	15,962
	32,483	25,962