

AOL TECHNOLOGIES FZE

Balance Sheet as at March 31, 2022

		AED	AED
	Notes	31-Mar-22	31-Mar-21
Assets			
Non-current assets			
Property, Plant and Equipment	3a	55,82,760	59,44,632
Capital work-in-progress	4	4,53,18,520	4,53,18,520
Financial assets			
Loans	5	-	-
Other non-current assets	6	-	-
		5,09,01,280	5,12,63,152
Current assets			
Financial Assets			
Cash and cash equivalents	7	500	1,303
Loans	5	13,195	23,195
Other current assets	6	3,46,367	2,04,542
		3,60,062	2,29,040
Total Assets		5,12,61,342	5,14,92,192
Equity and liabilities			
Equity			
Share Capital	8	2,73,21,240	2,73,21,240
Other Equity	8	(55,58,586)	(40,04,672)
		2,17,62,654	2,33,16,568
Non-current liabilities			
Financial Liabilities			
Borrowings	9	-	-
Other Financial Liabilities	11	72,97,256	74,59,016
		72,97,256	74,59,016
Current liabilities			
Financial liabilities			
Borrowings	10	1,57,71,091	1,57,71,091
Other	11	64,30,341	49,44,286
Provisions	12	-	1,231
		2,22,01,432	2,07,16,608
Total Equity and liabilities		5,12,61,342	5,14,92,192
Summary of significant Accounting policies	3		

The accompanying notes (1-20) are an integral part of the financial statements

Approved by the Management on 11-May-2022

For AOL TECHNOLOGIES FZE

Managing Director



AOL TECHNOLOGIES FZE*Statement of Profit and Loss for the period ended March 31, 2022*

		AED	AED
	Notes	31-Mar-22	31-Mar-21
Income			
Revenue from operations		-	-
Other income		-	-
Total revenue (I)		-	-
Expenses			
Cost of raw material and components consumed		-	-
Purchase of traded goods		-	-
(Increase)/ decrease in inventories of finished goods,work-in-progress and traded goods		-	-
Employee benefits expense	13	(870)	22,981
Finance costs	14	11,66,949	23,98,632
Depreciation and amortization expense	15	3,61,873	3,61,873
Other expense	16	25,962	58,203
Total expense (II)		15,53,914	28,41,689
(Loss) before exceptional items and tax, (I) - (II)		(15,53,914)	(28,41,689)
Exceptional Items		-	-
Profit / (loss) for the year		(15,53,914)	(28,41,689)
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		(15,53,914)	(28,41,689)

Summary of significant Accounting policies

3

The accompanying notes (1-20) are an integral part of the financial statements

Approved by the Management on 11-May-2022**For AOL TECHNOLOGIES FZE**
Managing Director

AOL TECHNOLOGIES FZE

CASH FLOW STATEMENT FOR THE YEAR ENDED MAY 31 2022

	31-Mar-22	31-Mar-21
A. Cash flow from operating activities		
Profit for the year	(15,53,914)	(28,41,689)
Add: Depreciation	3,61,873	3,61,873
Add: Finance Cost	11,66,949	23,98,632
Operating profit before working capital changes	(25,092)	(81,184)
Movements in working capital :		
Decrease in other payables	13,23,065	1,13,04,257
(Increase) in other receivables	(1,31,827)	30,689
Net cash flow from operating activities (A)	11,66,146	1,12,53,762
B. Cash flows from investing activities		
Purchase of property plant & equipment's	-	-
Capital advance	-	19,88,845
Net cash flow (used in) / from investing activities (B)	-	19,88,845
C. Cash flows from financing activities		
Received long-term borrowings	-	(2,72,01,306)
Proceeds of Short-term borrowings	-	-
Payment of Finance Cost	(11,66,949)	(23,98,632)
Proceed from Change in Equity / Preference Shares	-	1,63,57,190
Net cash flow (used in) in financing activities (C)	(11,66,949)	(1,32,42,748)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(803)	(141)
Cash and cash equivalents at the beginning of the year	1,303	1,444
Cash and cash equivalents at the end of the year	500	1,303
Components of cash and cash equivalents		
With banks- on current account	500	1,303
Total cash and cash equivalents (refer note no. 7)	500	1,303

Summary of significant accounting policies

The accompanying notes (1-20) are an integral part of the financial statements

Approved by the Management on 11-May-2022

For 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, 2022

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 31, 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 Mr. Kailash Shantilal 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 and fully paid and held by the shareholder as follows:

Sl 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
			<u>100,000</u>	<u>1,000,000</u>	<u>100</u>

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:

Sl 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
			<u>996,405</u>	<u>9,964,050</u>	<u>100</u>

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 2021 to 31st March 2022.

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 2020 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 expenses and transferred in to capital work in progress till projected 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.

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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
Aksh Optifiber Limited, India	Holding Company
AOL FZE	Fellow Subsidiary
AOL Composites (Jiangsu) Co. Limited, (China)	Fellow Subsidiary
Aksh Composites Private Limited, (India)	Fellow Subsidiary
Aksh Technologies (Mauritius) Limited	Fellow Subsidiary
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 account's 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:

a

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

As on 31st March 2022	Total
Borrowings	1,57,71,091
Provisions, accruals & other liabilities	1,37,27,597
Total	2,94,98,688
As on 31st March 2021	Total
Borrowings	1,57,71,091
Provisions, accruals & other liabilities	1,24,04,533
Total	2,81,75,624

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 of 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.

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AOL TECHNOLOGIES FZE*Notes to standalone financial statements for the year ended March 31, 2022*

3 (a) Right of Use Assets	AED
	Right to use of Building
Movements during the year	
At April 1, 2020	66,69,370
Addition on account of Transition to Ind AS 116	-
Addition	-
Deletion	-
Balance as on March 31, 2021	66,69,370
Addition	-
Deletion	-
Balance as on March 31, 2022	66,69,370
Accumulated Depreciation	
At 1 April 2020	3,62,864
Addition	3,61,873
Deletion	-
Balance as on March 31, 2021	7,24,737
Addition	3,61,873
Deletion	-
Balance as on March 31, 2022	10,86,610
Net Block value	
At March 31, 2022	55,82,760
At March 31, 2021	59,44,632

(i) The Company has adopted IFRS 16 effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

AOL TECHNOLOGIES FZE

Notes to financial statements for the year ended March 31, 2022

4. Capital work-in-progress		
	AED	AED
	31-Mar-22	31-Mar-21
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-22	31-Mar-21
Non-Current		
Security deposit	-	-
	-	-
Current		
Security deposit	13,195	23,195
	13,195	23,195

6. Other Assets		
	AED	AED
	31-Mar-22	31-Mar-21
Non-Current		
Capital advances	-	-
Total Other Non-Current Assets	-	-
Current		
Advances recoverable in cash or kind	0.00	362
Prepaid Expense	2,34,287	92,100
Balance With revenue authorities	1,12,080	1,12,080
Total Other Current Assets	3,46,367	2,04,542

7. Cash and Cash equivalents		
	AED	AED
	31-Mar-22	31-Mar-21
Balances with banks:		
On current accounts	500	1,303
Cash on hand	-	-
	500	1,303



AOL TECHNOLOGIES FZE

Notes to financial statements for the year ended March 31, 2022

8. Share Capital		AED	AED
		31-Mar-22	31-Mar-21
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
		10,00,000	10,00,000
26,32,124 (March 31 2021: 9,96,405) 6% non cumulative optionally convertible Preference share of Arab Emirates Dhiram (AED) 10/- each		2,63,21,240	99,64,050
Investment in preference share, pending for allotment)		-	1,63,57,190
		2,63,21,240	2,63,21,240
Total		2,73,21,240	2,73,21,240

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

		31-Mar-22	31-Mar-21
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.	1,00,000	1,00,000
At the beginning of the year	Amount in AED	10,00,000	10,00,000
Add:			
Issued during the year		-	-
Outstanding at the end of the year	Amount in AED	10,00,000	10,00,000

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-22	31-Mar-21
At the beginning of the year	Nos.	9,96,405	9,96,405
Add:			
Issued during the year	Nos.	-	-
Outstanding at the end of the year	Nos.	9,96,405	9,96,405
At the beginning of the year	Amount in AED	99,64,050	99,64,050
Add:			
Issued during the year		-	-
Outstanding at the end of the year	Amount in AED	99,64,050	99,64,050

Terms/ rights attached to Preference Shares**(c) Other Equity**

		31-Mar-22	31-Mar-21
Retained Earnings			
Balance as per the last financial statements		(40,04,672)	(11,62,983)
Less: Transitional Impact of IFRS 16		-	-
Loss for the year		(15,53,914)	(28,41,689)
Total Other Equity		(55,58,586)	(40,04,672)



AOL TECHNOLOGIES FZE
Notes to financial statements for the year ended March 31, 2022

9. Long Term Borrowings		AED	AED
		31-Mar-22	31-Mar-21
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 10)		(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	AED
		31-Mar-22	31-Mar-21
Unsecured Loans			
Loan from holding Company		-	-
Loan from Director		-	-
Current maturities of long term debt (Refer note No.9)		1,57,71,091	1,57,71,091
		1,57,71,091	1,57,71,091
Aggregate secured loans		-	-
Aggregate unsecured loans		1,57,71,091	1,57,71,091

11. Other financial Liabilities		AED	AED
		31-Mar-22	31-Mar-21
Non-Current			
Lease Liabilities (Pursuant to IFRS 16)		66,46,418	68,08,178
Others		6,50,838	6,50,838
		72,97,256	74,59,016
Current			
Others		64,30,341	49,44,286
		64,30,341	49,44,286

12. Provisions		AED	AED
		31-Mar-22	31-Mar-21
Non-Current			
Provision for Gratuity & Compensated Absences		-	-
		-	-
Current			
Provision for Gratuity & Compensated Absences		-	1,231
		-	1,231

AOL TECHNOLOGIES FZE

Notes to financial statements for the year ended March 31, 2022

13. Employee benefits expense	AED 31-Mar-22	AED 31-Mar-21
Gratuity	(1,232)	437
Salary	-	18,333
Visa Cancellation Charge	-	2,454
Travelling Expenses	362	1,220
Leave Encashment	-	537
	(870)	22,981

14. Finance costs	AED 31-Mar-22	AED 31-Mar-21
Interest on Term Loan	7,20,053	19,33,950
Interest others	4,46,896	4,53,497
Bank Charges	-	11,186
	11,66,949	23,98,632

15. Depreciation and amortization expense	AED 31-Mar-22	AED 31-Mar-21
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

16. Other expenses	AED 31-Mar-22	AED 31-Mar-21
Travelling & Conveyance	-	-
Insurance	-	20,471
Professional & Legal Expenses	10,000	27,082
Auditors' Remuneration	-	-
Other Expenses	15,962	10,650
	25,962	58,203



AOL TECHNOLOGIES FZE
17. CONTINGENT LIABILITIES

		Amount in AED	
		31-Mar-22	31-Mar-21
Capital commitments		88,91,403	88,91,403

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.

18. RELATED PARTY TRANSACTION

		Amount in AED	

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.

Transactions			Amount in AED	
	Holding Company/Subsidiaries	Key Management Personnel	31-Mar-22	31-Mar-21
Loan & Advance Taken (Holding's Company)	-	-	-	-
Repayment of Loan & Advance	-	-	-	-
Interest Capitalised	-	-	-	-
Loan & Advance taken (Fellow Subsidiary)	-	-	-	(7,47,220)
Share Application Money (Holding's Company)	-	-	-	-
Remuneration paid	-	-	-	-

Balance due (to)/ from		31-Mar-22	31-Mar-21
Loan and Advances			
Aksh Optifibre Limited, India (Holding Company)		-	-
Interest payable to Aksh Optifibre Limited (Holding Company)		(6,50,838)	(6,50,838)
Trade and other Payables			
AOL FZE (Fellow Subsidiary)		(18,27,510)	(18,27,510)
Dr. Kailash Shantilal Choudhari (Director Remuneration)		-	-

19. Leases

Operating Lease :

The Company has entered into lease agreement. The lease term is for periods of twenty years and renewable at the option of both the parties. Future minimum lease payments as per contracts are as follows :

Future minimum rentals payable under non cancellable operating leases are as follows:		Amount in AED	
		31-Mar-22	31-Mar-21
With in one year		5,52,600	5,52,600
After one year but not more than five years		23,76,180	22,93,290
More than five years		97,63,215	1,03,98,705
		<u>1,26,91,995</u>	<u>1,32,44,595</u>

20. COMPARATIVE AMOUNTS

		Amount in AED	
		31-Mar-22	31-Mar-21

Previous year's figures have been reworked, regrouped, rearranged and reclassified to conform to those of current year's figures wherever The accounting notes form an integral part of these financial statements.