

AOL TECHNOLOGIES FZE
JABEL ALI FREE ZONE, DUBAI, U.A.E
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED MARCH 31, 2018

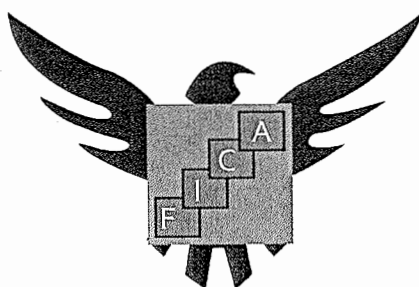
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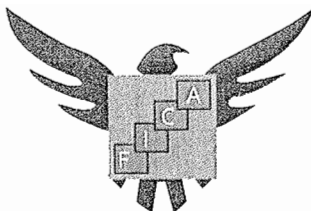
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JABEL ALI FREE ZONE, DUBAI, U.A.E
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INDEPENDENT AUDITOR'S REPORT

To
The Managing Director
M/s. AOL Technologies FZE
Plot No: S30121B,
Jabel Ali Free Zone
Dubai, UAE

We have audited the accompanying financial statements of M/s. AOL Technologies FZE, Dubai, U.A.E., which comprise of the statement of financial position for the year ended **March 31, 2018** 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 4 to 10.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements based on our audit. We conducted our audit in accordance with generally accepted accounting principles. 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 judgement, 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

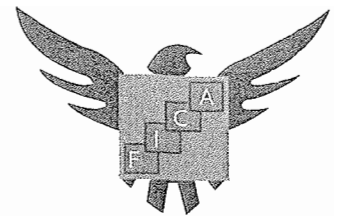
In our opinion, the financial statements present fairly, in all material respects, the financial position of M/s. AOL Technologies FZE, Dubai, U.A.E., as of **March 31, 2018**, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

For FALCON INTERNATIONAL CONSULTING & AUDITING
Chartered Accountants


Managing Partner
(Rakesh Jain)
Reg. No. 606



May 26, 2018



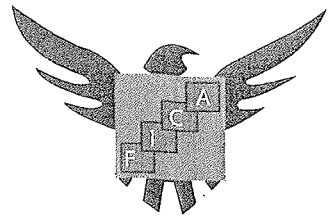
AOL TECHNOLOGIES FZE
Balance Sheet as at March 31, 2018

	Notes	31-Mar-18
Assets		
Non-current assets		
Capital work-in-progress	4	4,229,268.25
Other non-current assets	5	<u>3,684,255.00</u>
		7,913,523.25
Current assets		
Financial Assets		
Trade receivables		-
Cash and cash equivalents	6	16,135.96
Deposit & Advance	7	13,474.50
Other current assets	5	<u>26,500.00</u>
		56,110.46
Total Assets		<u>7,969,633.71</u>
Equity and liabilities		
Equity		
Equity Share capital	8	<u>1,000,000.00</u>
		1,000,000.00
Current liabilities		
Financial liabilities		
Borrowings	9	6,758,863.13
Other	10	128,646.58
Provisions	11	<u>82,124.00</u>
		6,969,633.71
Total Equity and liabilities		<u>7,969,633.71</u>
Summary of significant Accounting policies	3.1	
The accompanying notes are an integral part of the financial statements		

Approved by the Management on May 26, 2018
For AOL TECHNOLOGIES FZE

Director





AOL TECHNOLOGIES FZE
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Amount in AED

31-Mar-18

A. Cash flow from operating activities

Profit before tax -

Profit before tax -

Non-cash adjustment to reconcile profit before tax to net cash flows

Depreciation/ amortization on continuing operation -

(Profit)/Loss on sale of property, plant and equipment -

Interest Expense -

Operating profit before working capital changes -

Movements in working capital :

Decrease in other payables 210,771

(Increase) in other receivables (3,724,230)

Net cash flow from operating activities (A) (3,513,459)

B. Cash flows from investing activities

Purchase of fixed assets, including CWIP (4,229,268)

Purchase of Investment -

Proceed from sale of assets -

Net cash flow (used in) / from investing activities (B) (4,229,268)

C. Cash flows from financing activities

Proceeds of Short-term borrowings 6,758,863

Changes in Equity 1,000,000

Interest Expense -

Net cash flow (used in) in financing activities (C) 7,758,863

Net (decrease) / increase in cash and cash equivalents (A+B+C) 16,136

Cash and cash equivalents at the beginning of the year -

Cash and cash equivalents at the end of the year 16,136

Components of cash and cash equivalents

With banks- on current account 16,136

Total cash and cash equivalents (refer note no. 6) 16,136

Summary of significant accounting policies

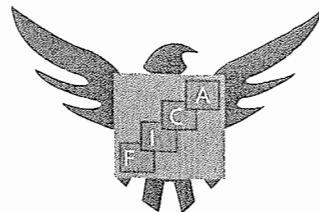
The accompanying notes are an integral part of the financial statements

Approved by the Management on May 26, 2018

For AOL TECHNOLOGIES FZE

Director





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

Notes to the Financial Statements for the year ended March 31, 2018

1. LEGAL STATUS & BUSINESS ACTIVITIES

- a) **AOL TECHNOLOGIES FZE** (“the Establishment”) was registered with the Jabel Ali Free Zone, Dubai, U.A.E (License no. 162379) as a Free Zone Establishment on August 31, 2017 and the license is valid up to August 30, 2018.
- b) The Company is engaged in the activity of wires and cable trading, fiber optic product and requisite trading.
- c) The management and control of the Company is vested with Mr. Ramgopal Yadavalli (Indian national).
- d) The registered office address of the Company is Plot No S30121B, Jabel Ali Free Zone, Dubai, United Arab Emirates.

SHARE CAPITAL

Authorized, issued and paid up capital of the company is AED 100,000 shares of AED 10 each and 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

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.

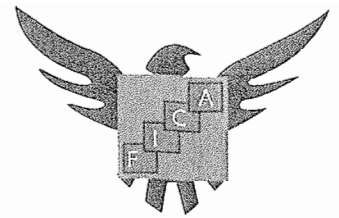
2.3 Basis of accounting & coverage:

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 2017 to 31st March 2018.

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

Since operation of the company have not started yet, all expenses have been transferred to capital work in progress as determined by the management.

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.

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.

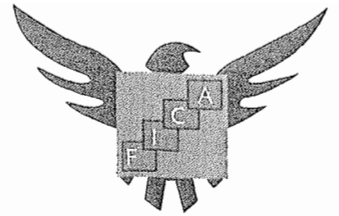
3.5 Related party transactions

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
Aksh Optifiber Limited, India	Holding Company
AOL FZE	Fellow Subsidiary
Mr. Ramgopal Yadavalli	Key management personnel
Dr. Kailash Shantilal Choudhari	Key management personnel

Transactions which were entered into with related parties is disclosed under note 14 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:

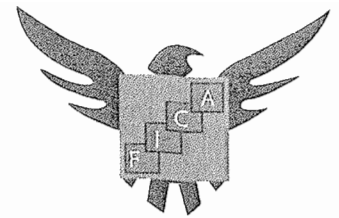
Accounts payable represent obligations towards purchase of goods in the ordinary course of business. Same is free of interest & payable at the end of credit period granted by the suppliers. Accounts payable are recognized initially at the transaction price. They are subsequently measured at amortised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

<u>As on 31st March 2018</u>	<u>Total</u>
Borrowings	6,758,863
Provisions, accruals & other liabilities	210,771
Total	<u><u>6,969,634</u></u>

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.

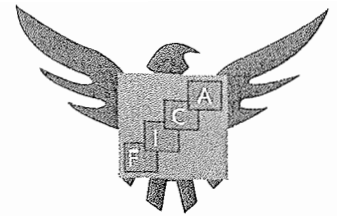
Currency risk:

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 financial statements for the year ended March 31, 2018

4. Capital work-in-progress	
	31-Mar-18
WIP	
Capital WIP Building	1,709,872
Capital WIP Plant & Machinery	868,131
Pre-Operative Expenses	1,651,265
	<u>4,229,268</u>

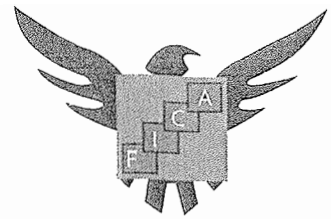
5. Other Assets	
	31-Mar-18
Non-Current	
Capital advances	3,684,255.00
Total Other Non-Current Assets	<u>3,684,255.00</u>
Current	
Advances recoverable in cash or kind	26,500.00
Total Other Current Assets	<u>26,500.00</u>

6. Cash and Cash equivalents	
	31-Mar-18
Balances with banks:	
On current accounts	16,135.96
Cash in hand	-
	<u>16,135.96</u>

7. Deposit & Advance	
	31-Mar-18
Current	
Security deposit	13,474.50
	<u>13,474.50</u>

8. Share Capital	
	31-Mar-18
Authorized Shares (Nos)	
(AED 1000,000 Divided in to 100,000 Shares of AED 10 each)	1,000,000.00
	<u>1,000,000.00</u>





9. Short Term Borrowings		31-Mar-18
Unsecured Loans		
Deposits (unsecured)		
Inter corporate deposit from others	6,758,863.13	<u>6,758,863.13</u>
		<u>6,758,863.13</u>
Aggregate secured loans	-	
Aggregate unsecured loans	6,758,863.13	

*Working capital facilities from banks are secured by way of first pari-passu charge on Current Assets both present and future and second pari-passu charge on the fixed assets of the Company. These facilities are further secured by way of first pari-passu charge on the immovable properties of the Company and personal guarantee of Dr. Kailash S. Choudhari. The cash credit is repayable on demand. The cash credit carries interest in the range of 10.30% to 11.10 % p.a.

10. Other financial Liabilities		31-Mar-18
Current		
Others	128,646.58	<u>128,646.58</u>
		<u>128,646.58</u>

11. Provisions		31-Mar-18
Non-Current		
Provision for Gratuity & Compensated Absences	-	<u>-</u>
		<u>-</u>
Current		
Provision for Gratuity & Compensated Absences	82,124.00	
Provision for income tax (net of Prepaid Taxes)	-	<u>-</u>
		<u>82,124.00</u>





AOL TECHNOLOGIES FZE

Notes to financial statements for the year ended March 31, 2018

12. CONTINGENT LIABILITIES

31-Mar-18

Capital commitments	32,468,745
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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.

13. RELATED PARTY TRANSACTION

31-Mar-18

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

Loan and Advances

Aksh Optifibre Limited, India (Holding Company)	(5,844,091)
AOL FZE (Fellow Subsidiary)	(841,963)

Trade and other Payables

Dr. Kailash Shantilal Choudhari (Director Remuneration)	115,000
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Transactions

	Holding Company/Subsidiaries	Key Management Personnel	Total
Loan & Advance Taken (Holding's Company)	5,844,091	-	5,844,091
Loan & Advance Given (Fellow Subsidiary)	841,963	-	841,963
Share Application Money (Holding's Company)	1,000,000	-	1,000,000
Remuneration paid	-	805,000	805,000

14. Leases

31-Mar-18

Operating Lease :

The Company has entered into various lease agreements. The lease term is for periods of three to five years and renewable at the Future minimum lease payments as per contracts are as follows :

Future minimum rentals payable under non cancelable operating leases are as follows:

31-Mar-18

With in one year	97.98
After one year but not more than five years	406.60
More than five years	1,843.60
	<u>2,348.18</u>

