

AOL (FZE)
SAIF ZONE, SHARJAH, U.A.E
STANDALONE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED MARCH 31, 2020

<u>CONTENTS</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF PROFIT AND LOSS	4
STATEMENT OF CASH FLOW	5
NOTES TO THE FINANCIAL STATEMENTS	6-25



FALCON INTERNATIONAL
CONSULTING & AUDITING

P.O.Box: 44624, Dubai, United Arab Emirates, Tel.: +971 4 3970987
Fax: +971 4 3970988, E-mail: carakesh@falconauditing.com, admin@falconauditing.com
Website: www.falconfinservices.com



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements **M/s. AOL (FZE) Sharjah, U.A.E. & its branch M/s. AOL FRP Division (the "Company")**, which comprise of the standalone statement of financial position as at **March 31, 2020**, standalone statement of profit and loss and other comprehensive income, standalone statement of cash flow for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, except the key audit matter accompanying financial statements give a true and fair view of the financial position of the Company as at **March 31, 2020**, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matter

We draw attention to the note no 30 to the financial statements, where the company has made provision against advance and trade receivable of AED 87.275 Million during the reporting period.

Our opinion is not modified in respect of these matters.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

For FALCON INTERNATIONAL CONSULTING & AUDITING

Chartered Accountants


Managing Partner
(Rakesh Jain)
Reg. No: 606



June 22, 2020

AOL (FZE)*Standalone Statement Of Financial Position As At March 31, 2020*

		AED in Lakhs	
	Notes	31/Mar/20	31/Mar/19
Assets			
Non-current assets			
Property, Plant and Equipment	4	370.45	378.79
Financial Assets			
Investment	5	39.44	33.38
Loans	6	-	-
Other non-current assets	7	-	-
		409.89	412.17
Current assets			
Inventories	8	123.42	250.79
Financial Assets			
Trade receivables	9	107.11	270.00
Cash and cash equivalents	10	0.15	0.04
Other Bank Balances	11	10.54	10.75
Loans	6	27.44	3.05
Other Financial Assets	12	0.26	0.09
Other current assets	7	4.59	758.16
		273.51	1,292.87
Total Assets		683.40	1,705.04
Equity and liabilities			
Equity			
Equity Share capital	13	879.00	879.00
Preference Share Capital	13	269.00	-
Other Equity	14	(1,134.69)	(146.89)
		13.31	732.11
Non-current liabilities			
Financial Liabilities			
Borrowings	15	55.65	469.26
Other Financial Liabilities	15A	150.51	-
Provisions	16	4.94	4.11
		211.10	473.37
Current liabilities			
Financial liabilities			
Borrowings	17	140.93	115.91
Trade payables	18	280.52	306.18
Other financial liabilities	19	36.14	76.61
Other Current liabilities	20	1.40	0.86
		458.99	499.56
Total Equity and liabilities		683.40	1,705.04
Summary of significant Accounting policies	3		
The accompanying notes (1-35) are an integral part of the financial statements			

Approved by the Management on June 22, 2020

For AOL (FZE)

SD/-

Managing Director



AOL (FZE)*Statement Of Profit And Loss And Other Comprehensive Income For The Year Ended March 31 2020*

		AED in Lakhs	
	Notes	31/Mar/20	31/Mar/19
Income			
Revenue from operations	21	206.79	196.19
Other income	22	0.17	0.09
Total revenue (I)		206.95	196.28
Expenses			
Cost of raw material and components consumed	23	44.96	105.07
Purchase of traded goods	24	16.05	248.21
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	25	118.00	(220.90)
Employee benefits expense	26	42.98	33.60
Finance costs	27	19.62	34.96
Depreciation and amortization expense	28	26.65	24.68
Other expense	29	48.71	36.45
Total expense (II)		316.96	262.07
Earnings (Loss) before exceptional items and tax, (I) – (II)		(110.01)	(65.79)
Exceptional Items	30	(872.76)	-
Profit / (loss) for the year		(982.77)	(65.79)
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		(982.77)	(65.79)
Summary of significant Accounting policies	3		
The accompanying notes (1-35) are an integral part of the financial statements			

Approved by the Management on June 22, 2020**For AOL (FZE)**

SD/-

Managing Director

AOL (FZE)

Statement Of Cash Flow For The Year Ended March 31, 2020

	AED in Lakhs	
	31-Mar-20	31-Mar-19
A. Cash flow from operating activities		
Profit/ (loss) for the year	(982.77)	(65.79)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization on continuing operation	26.65	24.68
Interest Expense	19.62	34.96
Operating profit / (loss) before working capital changes	(936.49)	(6.16)
Movements in working capital :		
Increase in trade payables	(25.67)	222.43
Increase in other payables	111.41	7.70
(Increase) in trade receivables	162.89	(44.03)
(increase) in inventories	127.37	(225.65)
decrease in other receivables	729.22	0.64
Net cash flow (used in) from operating activities (A)	168.74	(45.06)
B. Cash flows from investing activities		
Purchase of fixed assets, including CWIP	(18.31)	(0.51)
Purchase of Investment	(6.06)	(25.19)
Net cash flow (used in) from investing activities (B)	(24.37)	(25.70)
C. Cash flows from financing activities		
Proceeds of long-term borrowings/conversion of loan in to preference shares	(144.61)	37.17
Proceeds of Short-term borrowings	25.02	66.05
Interest Expense	(19.62)	(34.96)
Proceed from change due to Transitional Impact of IFRS 16	(5.03)	
Net cash flow (used in) in financing activities (C)	(144.25)	68.27
Net (decrease) / increase in cash and cash equivalents	0.11	(2.49)
Cash and cash equivalents at the beginning of the year	0.04	2.54
Cash and cash equivalents at the end of the year	0.15	0.04
Components of cash and cash equivalents		
With banks- on current account	0.15	0.04
Total cash and cash equivalents (refer note no. 10)	0.15	0.04
Summary of significant accounting policies		
The accompanying notes (1-35) are an integral part of the financial statements		

Approved by the Management on June 22, 2020

For AOL (FZE)

SD/-

Managing Director



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

Notes to the Financial Statements for the year ended March 31, 2020

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, 2020.
- 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, 2020.
- c) **AOL Composite Jiangsu** ("the subsidiary") was incorporated as subsidiary in china on 18th July 2017.
- d) The Company is engaged in the activity of general trading.
- 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

A) Equity 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

B) Preference Share Capital

AED 26,900,000 Divided into 538 Share of 6% Non-Cumulative Optionally Convertible Preference Share of AED 50,000 Each 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.	538	26,900,000	100
			538	26,900,000	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**. 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 2019 to 31st March 2020. Previous year figures are for the period 1st April 2018 to 31st March 2019 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 amounts 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
AOL Composites (Jiangsu) Co Ltd
AOL Technologies FZE
Aksh Composite Pvt. Ltd.
Aksh Technologies Mauritius Ltd.
Aksh Optifibre Limited, India
Dr. Kailash Shantilal Choudhari

Relation
Subsidiary Company
Fellow Subsidiary
Fellow Subsidiary
Fellow Subsidiary
Holding Company
Director & Key management personnel.

Transactions which were entered into with related parties is disclosed under note 32 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 include 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) (In Lakhs)
As on 31st March 2020	Total
Borrowings	196.58
Trade payables	280.52
Other financial liabilities	150.51
Provisions, accruals & other liabilities	42.49
Total	670.09
As on 31st March 2019	Total
Borrowings	585.17
Trade payable	306.18
Provisions, accruals & other liabilities	81.58
	639.58

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 March 31, 2020

5. Investment		AED in Lakhs	
		31/Mar/20	31/Mar/19
Investment in subsidiary			
Equity Instruments (Unquoted)			
Capital investment in AOL Composites (Jiangsu) Co. Ltd		39.44	33.38
Other Investment			
1 (March 31 2019: 1) equity share of Arab Emirates Dhiram		0.00	0.00
(AED) 4 each fully paid-up in Eminent One Ventures Limited			
		39.44	33.38

6. Loans		AED in Lakhs	
		31/Mar/20	31/Mar/19
Non-Current			
Security deposit		-	-
Current			
Security deposit		1.69	0.26
Loan and advances to related parties		25.75	2.79
		27.44	3.05

7. Other Assets		AED in Lakhs	
		31/Mar/20	31/Mar/19
Non-Current			
Capital advances		-	-
Current			
Advances recoverable in cash or kind		752.49	753.90
Prepaid expenses		2.52	2.87
Balances with statutory / government authorities		2.03	1.39
Total Other Current Assets		757.04	758.16
Less:-Provision agst Advance Given		752.45	-
		4.59	758.16

8. Inventories		AED in Lakhs	
		31/Mar/20	31/Mar/19
(Valued at lower of cost and net realisable value)			
Finished and traded goods		111.26	214.92
Raw material		3.41	9.66
Semi finished goods		7.85	22.18
Stores, spares and others		0.90	4.03
		123.42	250.79



AOL (FZE)*Notes to financial statements for the year ended March 31, 2020*

9. Trade Receivables	AED in Lakhs	
	31/Mar/20	31/Mar/19
Trade receivables	217.68	270.00
Receivables from related parties	9.73	-
	227.41	270.00
Less : Provision for doubtful debts	120.30	-
	107.11	270.00
Breakup of security details		
Secured, considered good	-	-
Unsecured, considered good	107.11	270.00
Considered doubtful	120.30	-
	227.41	270.00

There are no trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

10. Cash and Cash equivalents	AED in Lakhs	
	31/Mar/20	31/Mar/19
Balances with banks:		
On current accounts	0.14	0.04
Cash On Hand*	0.01	-
	0.15	0.04

11. Other Bank Balances	AED in Lakhs	
	31/Mar/20	31/Mar/19
Margin Money #	10.54	10.75
	10.54	10.75

Margin Money deposit are held as lien by banks against bill discounting and overdraft facility

12. Other Financial Assets	AED in Lakhs	
	31/Mar/20	31/Mar/19
Interest accrued on fixed deposits	0.26	0.09
Other Receivable	-	-
	0.26	0.09



AOL (FZE)

Notes to financial statements for the year ended March 31, 2020

13. Share Capital		AED in Lakhs	
		31/Mar/20	31/Mar/19
Authorized Shares (Nos)			
586 March 31,2019 : 586) Equity Shares of AED 150000/- each		879.00	879.00
Issued, subscribed and fully paid-up shares (No.)			
586 (March 31,2019 : 586) Equity Shares of AED 150000/- each		879.00	879.00
		879.00	879.00
Authorized Preference Shares (Nos)			
{ 538 (31 March 2019- NIL) Share of 6% Non Cumulative		269.00	-
Optionally Covetable Preference Share of AED 50,000 Each}			
Issued, subscribed and fully paid-up Preference		269.00	
shares (No.)			-
{ 538 (31 March 2019- NIL) Share of 6% Non Cumulative			
Optionally Covetable Preference Share of AED 50,000 Each}			
		269.00	-

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

Equity Shares		AED in Lakhs	
		31/Mar/20	31/Mar/19
At the beginning of the year	Nos.	586.00	586.00
Add:			
Issued during the year	Nos.	-	-
Outstanding at the end of the year	Nos.	586.00	586.00
At the beginning of the year	AED in Lak	879.00	879.00
Add:			
Issued during the year		-	-
Outstanding at the end of the year	AED in Lakhs	879.00	879.00

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

Preference Shares		AED in Lakhs	
		31/Mar/20	31/Mar/19
At the beginning of the year	Nos.	-	-
Add:			
Issued during the year	Nos.	538.00	-
Outstanding at the end of the year	Nos.	538.00	-
At the beginning of the year	AED in Lakhs	-	-
Add:			
Issued during the year	AED in Lakhs	269.00	-
Outstanding at the end of the year	AED in Lakhs	269.00	-



AOL (FZE)
Notes to financial statements for the year ended March 31, 2020

14. Other Equity	AED in Lakhs	
	31/Mar/20	31/Mar/19
Retained Earnings		
Balance as per the last financial statements	(146.89)	(81.10)
Less: Transitional Impact of IFRS 16	(5.03)	-
Profit (Loss) for the year	(982.77)	(65.79)
Total Other Equity	(1,134.69)	(146.89)

15. Long Term Borrowings	AED in Lakhs	
	31/Mar/20	31/Mar/19
Non-Current		
Term Loans		
Secured Loans		
Foreign Currency Loan from Bank	55.65	70.77
Unsecured Loans		
Foreign Currency Loan from holding Company	(0.00)	398.49
Total Non-Current long term borrowings	55.65	469.26
The above amount includes		
Secured borrowings	55.65	70.77
Unsecured borrowings	(0.00)	398.49
Current Maturities		
Term Loans		
Secured Loans		
Foreign Currency Loan from Bank	23.89	51.02
Other Loan from Banks	-	0.00
Total Current Maturities	23.89	51.02
The above amount includes		
Secured borrowings	23.89	51.02
Unsecured borrowings	-	-
Amount disclosed under the head "other Financial liabilities" (note 18)	(23.89)	(51.02)
	-	-

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.

15A Other Financial Liabilities	AED in Lakhs	
	31/Mar/20	31/Mar/19
Non-Current		
Others		
	150.51	-
	150.51	-
Payable to related party	131.97	
Others	18.54	



AOL (FZE)*Notes to financial statements for the year ended March 31, 2020*

16. Provisions	AED in Lakhs	
	31/Mar/20	31/Mar/19
Non-Current		
Provision for Gratuity & Compensated Absences	4.94	4.11
	4.94	4.11

17. Short Term Borrowings	AED in Lakhs	
	31/Mar/20	31/Mar/19
Secured Loans		
Working capital facility from Bank	36.17	35.57
Bill Discounting from Bank of Baroda	12.56	4.21
Unsecured Loans		
Loan from Related Parties	10.99	-
Loan from Others	81.22	76.13
	140.93	115.91

Aggregate secured loans	48.72	39.78
Aggregate unsecured loans	92.21	76.13

Bill discounting facility is secured by concerned receivables and 25% margin of fixed deposit

18. Trade Payables	AED in Lakhs	
	31/Mar/20	31/Mar/19
Current		
Trade Payables (including acceptances)	280.52	306.18
	280.52	306.18
Other Details		
Trade payables to related parties	214.20	221.95
Others	66.31	84.23

Trade payables are generally non-interest bearing and are generally on credit terms of 30 to 90 days.

19. Other Financial Liabilities	AED in Lakhs	
	31/Mar/20	31/Mar/19
Current		
Current maturities of long term debt	23.89	51.02
Others	12.25	25.59
Total Current financial liabilities	36.14	76.61

20. Other Current Liabilities	AED in Lakhs	
	31/Mar/20	31/Mar/19
Current		
Others	1.40	0.86
Total Current financial liabilities	1.40	0.86



AOL (FZE)*Notes to financial statements for the year ended March 31, 2020*

21. Revenue From Operations		AED in Lakhs	
	31/Mar/20	31/Mar/19	
Revenue from operations			
Sale of products			
- Finished goods	111.61	92.12	
- Traded goods	95.00	103.74	
Other operating revenue			
- Scrap sales	0.17	0.48	
- Exchange Fluctuation	0.01	(0.15)	
Revenue from operations (gross)	206.79	196.19	
22. Other Income		AED in Lakhs	
	31/Mar/20	31/Mar/19	
Other Income	0.17	0.09	
	0.17	0.09	
23. Cost of raw material and components consumed		AED in Lakhs	
	31/Mar/18	31/Mar/17	
Inventory at the beginning of the year	9.66	6.57	
Add: Purchases	38.71	108.16	
Less: inventory at the end of the year	3.41	9.66	
Cost of raw material and components consumed	44.96	105.07	
24. Details of purchase of traded goods		AED in Lakhs	
	31/Mar/20	31/Mar/19	
Optical fibre & Fibre reinforced plastic rods	16.05	248.21	
	16.05	248.21	
25. (Increase)/ decrease in inventories		AED in Lakhs	
	31/Mar/20	31/Mar/19	
Inventories at the end of the year			
Finished/Traded goods	111.26	214.92	
Semi Finished goods	7.85	22.18	
	119.11	237.11	
Inventories at the beginning of the year			
Finished/traded goods	214.92	10.75	
Semi finished goods	22.18	5.45	
	237.11	16.21	
	118.00	(220.90)	
26. Employee benefits expense		AED in Lakhs	
	31/Mar/20	31/Mar/19	
Salaries, wages and bonus	14.56	16.48	
Gratuity	1.75	1.83	
Staff welfare expenses	0.17	0.79	
Directors' Remuneration	26.50	14.50	
	42.98	33.60	

AOL (FZE)*Notes to financial statements for the year ended March 31, 2020*

27. Finance costs		AED in Lakhs	
	31/Mar/20	31/Mar/19	
Interest on Term Loan	8.01	12.32	
Interest others	11.06	21.99	
Bank Charges	0.55	0.65	
	19.62	34.96	

28. Depreciation and amortization expense		AED in Lakhs	
	31/Mar/20	31/Mar/19	
Depreciation of Property plant & Equipment's	24.71	24.68	
Depreciation on Right to use of Assets (Lease Assets)	1.94		
	26.65	24.68	

29. Other expenses		AED in Lakhs	
	31/Mar/20	31/Mar/19	
Consumption of stores and spares	1.10	3.68	
Power & Fuel	3.49	5.71	
Packing Material Consumed	7.30	10.01	
Repair & Maintenance			
- Plant & Machinery	0.42	0.70	
- Buildings	0.01	-	
- Others	0.94	0.68	
Marketing & Service Charges	1.74	1.82	
Freight & Cartage (Outward)	10.39	4.24	
Travelling & Conveyance	0.86	0.57	
Postage & Telephone	0.42	0.51	
Insurance	1.27	1.15	
Rent	17.49	5.09	
Provision for doubtful debts/advance	-	-	
Professional & Legal Expenses	0.45	0.43	
Auditors' Remuneration	0.15	0.23	
Other Expenses	2.67	1.63	
	48.71	36.45	

30. Exceptional items		AED in Lakhs	
	31/Mar/20	31/Mar/19	
Provision against advance/Debtors	(872.76)	-	
	(872.76)	-	

The Company with a view to expand its business in GSM telephony and data market in the African continent made an advance, being upfront payment, aggregating AED 66.06 million, to a Africa One Telecom to acquire majority stake. The Company could not make the balance payment as it was unable to raise funds from its Holding Company due to unfavorable capital market conditions in India, non payment of further instalment by the company led to failure of the contract. As considerable time has elapsed and company don't foresee recovery in near future, it has therefore decided to make provision for up front consideration paid of AED 66.06 Million. The company has also made a provision of AED 9.18 Million of other advance paid, and AED 12.03 million against provision for doubtful debts pursuant to discontinuation of trading operation, under the head exceptional item.



AOL (FZE)

Notes to financial statements for the year ended March 31, 2020

4. (a) Property, Plant and Equipment							AED in Lakhs
	Factory Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office Equipment	Data Processing System	Total
Cost or valuation							
At 1 April 2018	109.18	324.83	1.73	3.79	0.18	0.08	439.78
Additions	-	0.10	0.01	-	0.40	-	0.51
Disposals / adjustments	-	-	-	-	-	-	-
At 31 March 2019	109.17	324.94	1.74	3.79	0.57	0.08	440.29
Additions	-	-	-	-	0.02	-	0.02
Disposals / adjustments	-	-	-	-	-	-	-
At 31 March 2020	109.17	324.94	1.74	3.79	0.59	0.08	440.31
Depreciation							
At 1 April 2018	3.56	31.63	0.08	1.37	0.10	0.08	36.82
Charge for the year	3.46	20.66	0.17	0.36	0.03	0.00	24.67
Disposals / adjustments	-	-	-	-	-	-	-
At 31 March 2019	7.02	52.30	0.25	1.72	0.12	0.08	61.50
Charge for the year	3.47	20.66	0.17	0.36	0.06	-	24.71
Disposals / adjustments	-	-	-	-	-	-	-
At 31 March 2020	10.49	72.96	0.42	2.08	0.17	0.08	86.21
Net Block value							
At 31 March 2020	98.68	251.98	1.32	1.71	0.42	-	354.10
At 31 March 2019	102.15	272.64	1.49	2.07	0.45	-	378.80



4 (b) Right of Use Assets

		Right to use of Building
Movements during the year		
Balance as on March 31, 2019		
Addition on account of Transition to Ind AS 116		18.29
Addition		-
Deletion		-
Balance as on March 31		18.29
Accumulated Depreciation		
Addition		1.94
Deletion		-
Balance as on March 31		1.94
Net Block value		
At March 31, 2020		16.35
At March 31, 2019		-

(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 (FZE)*Notes to financial statements for the year ended March 31, 2020*

31. CONTINGENT LIABILITIES	AED in Lakhs	
	31/Mar/20	31/Mar/19
Capital commitments	-	2.44

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.

32. 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.

Transaction with related parties		AED in Lakhs		
Nature of Transaction	Holding	Subsidiary / Fellow Subsidiary	KMP / Others	Total
Interest expense on Loan	2.49	-	-	2.49
	<i>15.41</i>	-	-	<i>15.41</i>
Purchase / Services Received	5.51	2.31	-	7.82
	<i>236.81</i>	-	-	<i>236.81</i>
Sale	1.02	5.77	-	6.79
	<i>3.95</i>	-	-	<i>3.95</i>
Purchase Return	18.81	-	-	18.81
	-	-	-	-
Loan Taken	-	-	-	-
	<i>65.14</i>	-	-	<i>65.14</i>
Investment	-	6.06	-	6.06
	-	25.19	-	25.19
Loan and Advances Given	-	26.92	-	26.92
	-	2.79	-	2.79
Reimbursement of Expenses	-	-	-	-
	-	3.64	-	3.64
Remuneration paid	-	-	26.50	26.50
	-	-	<i>14.50</i>	<i>14.50</i>

Figures in italic represents Previous Year

Balance due to/(from) as at	AED in Lakhs	
	31-Mar-20	31-Mar-19
Investment		
AOL Composite Jiangsu Co. Ltd (Subsidiary Company)	39.44	33.38
Loan and Advances Taken/Interest Payable		
Aksh Optifibre Limited, India (Holding Company)	(131.97)	(398.49)
Dr. Kailash Shantilal Choudhari(Director)	(10.99)	-
Loan and Advances Given		
AOL Technologies FZE (Fellow Subsidiary)	25.75	2.79
AOL Composite Jiangsu Co. Ltd (Subsidiary Company)	1.17	-



AOL (FZE)*Notes to financial statements for the year ended March 31, 2020*

Balance due to/(from) as at	AED in Lakhs	
	31-Mar-20	31-Mar-19
Trade and other Receivable		
Aksh Optifibre Limited, India (Holding Company)	4.97	3.95
Aksh Composites Private Limited (Fellow Subsidiary)	0.83	-
AOL Technologies Mauritius Ltd (Fellow Subsidiary)	3.93	-
Trade and other Payables		
Aksh Optifibre Limited, India (Holding Company)	(211.88)	(221.95)
Aksh Composites Private Limited (Fellow Subsidiary)	(2.31)	-
Dr. Kailash Shantilal Choudhari (Director Remuneration)	(2.20)	(12.70)

33. Leases**Operating Lease :**

The Company has entered into lease agreement. The lease term is for periods of fifteen 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 . AED in Lakhs		
	31/Mar/20	31/Mar/19
With in one year	3.57	3.57
After one year but not more than five years	14.29	14.29
More than five years	11.25	15.83
	29.12	33.69

34. COMPARATIVE AMOUNTS

Previous year's figures have been reworked, regrouped, rearranged and reclassified to conform to 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



AOL (FZE)

Notes to financial statements for the year ended March 31, 2020

35. Segment Reporting

(A) Primary segment

Particulars	Manufacturing			Services			Trading			Total	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-20	31-Mar-19
Segment Revenue											
External Turnover	111.75	96.95	-	-	-	95.04	99.24	206.79	196.19		
Inter Segment Turnover	-	-	-	-	-	-	-	-	-		
Total Revenue	111.75	96.95	-	-	-	95.04	99.24	206.79	196.19		
Segment Results before Interest	(27.98)	(19.12)	-	-	-	(57.20)	4.20	(85.18)	(14.92)		
Less : Finance Costs	-	-	-	-	-	-	-	19.62	34.96		
Add : Interest Income	-	-	-	-	-	-	-	0.17	-		
Add : Exceptional Items	-	-	-	-	-	-	-	(872.76)	-		
Add/(Less): Unallocated Expenses/ (Income)	-	-	-	-	-	-	-	5.37	15.91		
Profit / (loss) before Tax	(27.98)	(19.12)	-	-	-	(57.20)	4.20	(982.77)	(65.79)		
Other Information											
Segment Assets	456.45	494.17	-	-	2.26	187.52	548.55	643.97	1,044.98		
Unallocated Assets	-	-	-	-	-	-	-	39.44	660.06		
Total Assets	456.45	494.17	-	-	2.26	187.52	548.55	683.40	1,705.04		
Segment Liabilities	237.62	270.84	-	-	-	432.48	303.60	670.09	574.44		
Unallocated Liabilities	-	-	-	-	-	-	-	(0.00)	398.49		
Share Capital & reserves	-	-	-	-	-	-	-	13.31	732.11		
Total Liabilities	237.62	270.84	-	-	-	432.48	303.60	683.40	1,705.04		
Capital Expenditure	0.02	0.51	-	-	-	-	-	0.02	0.51		
Depreciation and Amortization	26.44	24.47	-	-	-	0.21	0.21	26.65	24.68		

AOL (FZE)*Notes to financial statements for the year ended March 31, 2020***(B) Secondary segment**

	AED in Lakhs	
	31/Mar/20	31/Mar/19
Revenue from external customer *		
Within UAE	0.17	0.48
Outside UAE	206.62	195.71
Total Revenue as per statement of profit and loss	206.79	196.19

* The revenue information above is based on the locations of the customers.

	AED in Lakhs	
	31/Mar/20	31/Mar/19
Non-Current Operating Assets **		
Within UAE	370.45	378.79
Outside UAE	-	-
Total	370.45	378.79

** Non-Current Operating Assets for this purpose consist of Property, Plant & Equipment, Capital work in progress and Intangible Assets.

Approved by the Management on June 22, 2020
For AOL (FZE)

SD/-
Managing Director

