

# Deloitte Haskins & Sells LLP

Chartered Accountants  
Indiabulls Finance Centre  
Tower 3, 27th - 32nd Floor  
Senapati Bapat Marg  
Elphinstone Road (West)  
Mumbai - 400 013  
Maharashtra, India

Tel: +91 (022) 6185 4000  
Fax: +91 (022) 6185 4501/4601

## INDEPENDENT AUDITORS' REPORT

### TO THE BOARD OF DIRECTORS OF GRABAL ALOK INTERNATIONAL LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of **GRABAL ALOK INTERNATIONAL LIMITED** ("the Company"), which comprise the Balance Sheet as at September 30, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the period April 1, 2012 to September 30, 2013 and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company'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 Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 adverse audit opinion.

**Basis for Adverse Opinion**

As explained in Note 18 of the financial statements, the Company has not made provision for diminution, other than temporary, in the value of investments in an associate, Grabal Alok (UK) Ltd. The available information indicates a diminution of Rs. 2,690,091,240 (USD 42,851,542), which in our opinion should have been accounted for in accordance with the accounting principles generally accepted in India. Had the Company made such provision, loss for the period and debit balance in profit and loss account would have been higher by such amount.

**Adverse Opinion**

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matter discussed in the Basis for Adverse Opinion paragraph, the aforesaid financial statements do not give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at September 30, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the period; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the period.

**Emphasis of Matter**

We draw attention to note no 1 B to the financial statements regarding preparation of the financial statements on a 'going concern' basis despite significant accumulated losses, in view of continued financial and operational support extended by its ultimate holding company. These financial statements do not include any adjustments that may be necessary should the company be unable to continue as a going concern.



**Deloitte  
Haskins & Sells LLP**

**Other Matter**

This report is issued solely for the purpose of consolidation of the financial statements of the Company with the ultimate holding company, Alok Industries Limited, and to comply with the provisions of Section 212 of the Companies Act, 1956 and should not be used for any other purposes.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
ICAI FRN No. 117366W/W-100018

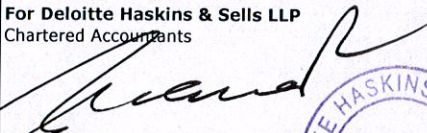

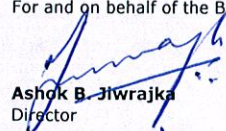


A handwritten signature in black ink, appearing to read "R. D. Kamat".

R. D. Kamat  
Partner  
Membership No. 36822

MUMBAI, November 22, 2013



**GRABAL ALOK INTERNATIONAL LIMITED**  
**BALANCE SHEET AS AT 30 SEPTEMBER 2013**

PARTICULARS	NOTES	AS AT 30-Sep-13 Rupees	AS AT 30-Sep-13 USD	AS AT 31-Mar-12 Rupees	AS AT 31-Mar-12 USD
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	3	1,212,348,648	26,915,599	727,008,096	17,194,464
Reserves and Surplus	4	(239,073,851)	(11,411,915)	(176,169,597)	(6,660,518)
		973,274,797	15,503,684	550,838,499	10,533,946
Share application money pending allotment		-	-	485,340,552	9,721,135
<b>Non-current Liabilities</b>					
Long-term Borrowings	5	2,511,080,000	40,000,000	2,557,825,000	50,000,000
<b>Current Liabilities</b>					
Short term borrowings	6	214,896,060	3,423,166	175,475,287	3,430,166
Trade Payable	7	674,160	10,739	572,953	11,200
Other Current Liabilities	8	1,501,490,869	23,917,850	-	-
<b>TOTAL</b>		<b>5,201,415,886</b>	<b>82,855,439</b>	<b>3,770,052,291</b>	<b>73,696,447</b>
<b>ASSETS</b>					
<b>Non-current Assets</b>					
Non-current Investments	9	4,966,660,110	79,115,920	3,335,305,068	65,198,070
Long Term Loans & Advances	10	79,498,837	1,266,369	90,132,893	1,761,905
<b>Current Assets</b>					
Cash & Bank Balances	11	1,181,680	18,823	212,266,786	4,149,361
Short-term Loans & Advances	12	154,075,259	2,454,327	132,347,544	2,587,111
<b>TOTAL</b>		<b>5,201,415,886</b>	<b>82,855,439</b>	<b>3,770,052,291</b>	<b>73,696,447</b>
Significant notes forming part of the financial statements		1 to 23			
In terms of our report attached					
For Deloitte Haskins & Sells LLP Chartered Accountants   B. D. Kamat Partner 			For and on behalf of the Board   Ashok B. Jiwrajka Director   Dilip B. Jiwrajka Director   Surendra B. Jiwrajka Director		
Place: Mumbai Date: 22 November, 2013			Place: Mumbai Date: 22 November, 2013		





## GRABAL ALOK INTERNATIONAL LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD 01 APRIL 2012 TO 30 SEPTEMBER 2013

PARTICULARS	NOTES	18 months ended 30-Sep-13		Year ended 31-Mar-12	
		Rupees	USD	Rupees	USD
<b>REVENUE</b>					
Other Income	13	3,981,346	71,068	2,511,640	52,385
<b>Total Revenue</b>		<b>3,981,346</b>	<b>71,068</b>	<b>2,511,640</b>	<b>52,385</b>
<b>EXPENSES</b>					
Finance costs	14	269,173,993	4,804,755	139,521,997	2,909,995
Other expenses	15	992,160	17,710	740,283	15,440
<b>Total</b>		<b>270,166,153</b>	<b>4,822,465</b>	<b>140,262,280</b>	<b>2,925,435</b>
<b>LOSS FOR THE PERIOD / YEAR</b>		<b>(266,184,807)</b>	<b>(4,751,397)</b>	<b>(137,750,640)</b>	<b>(2,873,050)</b>
<b>EARNINGS PER SHARE</b>					
Basic and Diluted	20	(5,321.04) *	(94.98) *	(2,753.64)	(57.43)
* not annualised					

Significant notes forming part of the financial statements

1 to 23

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered AccountantsR. D. Kamat  
PartnerPlace: Mumbai  
Date: 22 November, 2013

For and on behalf of the Board

Ashok B. Jiwrajka  
DirectorDilip B. Jiwrajka  
DirectorSurendra B. Jiwrajka  
DirectorPlace: Mumbai  
Date: 22 November, 2013



# GRABAL ALOK INTERNATIONAL LIMITED

CASH FLOW STATEMENT FOR THE PERIOD FROM 01 APRIL 2012 TO 30 SEPTEMBER 2013

PARTICULARS	18 months ended 30-Sep-13		Year ended 31-Mar-12	
	Rupees	USD	Rupees	USD
<b>A) Cash Flow from Operating Activities</b>				
Loss for the period / year	(266,184,807)	(4,751,397)	(137,750,640)	(2,873,050)
<b>Adjustments for :</b>				
Unrealised Exchange Gain	(86,056)	(1,378)	(436,331)	(9,778)
Interest received	(3,906,387)	(69,729)	(2,462,831)	(51,367)
Finance costs	269,173,993	4,804,755	128,934,752	2,689,178
<b>Operating Loss before Working Capital changes</b>	<b>(1,003,257)</b>	<b>(17,749)</b>	<b>(11,715,050)</b>	<b>(245,017)</b>
<b>Adjustments for :</b>				
(Decrease) / Increase in current liabilities	(25,826)	(461)	80,885	1,687
Decrease in loans and advances	35,200,007	628,320	28,639,552	597,332
<b>Net cash generated from operating activities (A)</b>	<b>34,170,924</b>	<b>610,110</b>	<b>17,005,387</b>	<b>354,002</b>
<b>B) Cash Flow from Investing Activities</b>				
Interest received	3,906,387	69,729	2,462,831	51,367
Fixed Deposits matured / (placed)	229,506,543	4,096,691	(196,419,069)	(4,096,691)
<b>Net cash generated from / (used in ) investing activities (B)</b>	<b>233,412,930</b>	<b>4,166,420</b>	<b>(193,956,238)</b>	<b>(4,045,324)</b>
<b>C) Cash Flow from Financing Activities</b>				
Share Application Money received	-	-	373,977,129	7,800,000
Proceeds from issue of Equity Shares	-	-	1,199	25
Finance costs	(269,173,993)	(4,804,755)	(128,934,752)	(2,689,178)
Short term borrowing (net)	(392,157)	(7,000)	(66,937,112)	(1,396,100)
<b>Net cash (used in) / generated from Financing activities (C)</b>	<b>(269,566,150)</b>	<b>(4,811,755)</b>	<b>178,106,464</b>	<b>3,714,747</b>
<b>Net (decrease) / increase in Cash and Cash equivalents (A+B+C)</b>	<b>(1,982,296)</b>	<b>(35,225)</b>	<b>1,155,613</b>	<b>23,425</b>
<b>Cash and Cash equivalents at the beginning of the period / year</b>	<b>2,696,411</b>	<b>52,709</b>	<b>1,307,523</b>	<b>29,284</b>
Effect of exchange rate change on cash and cash equivalent	383,507	-	233,275	-
<b>Cash and Cash equivalents at the end of the period / year</b>	<b>1,097,622</b>	<b>17,484</b>	<b>2,696,411</b>	<b>52,709</b>

## NOTES TO CASH FLOW STATEMENT

- Components of Cash and Cash Equivalents include Bank Balances in Current Account.
- Cash and Cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

Particulars	AS AT 30-SEP-2013		AS AT 31-MAR-2012	
	Rupees	USD	Rupees	USD
Cash and Bank balances	1,181,680	18,823	212,266,786	4,149,361
Less: Deposit with maturity period of more than 3 months*	-	-	(209,572,373)	(4,096,691)
Effect of exchange rate change	(84,058)	(1,339)	1,998	39
<b>Cash and Cash equivalents as restated</b>	<b>1,097,622</b>	<b>17,484</b>	<b>2,696,411</b>	<b>52,709</b>

\* Fixed Deposits with maturity period of more than three months have been excluded from cash and cash equivalent and grouped under the investing activity.

- The Cash Flow Statement has been prepared in accordance with the requirements of Accounting Standard (AS) 3 "Cash Flow Statements".
- Previous year's figures have been regrouped / restated wherever necessary.

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

R. D. Kamat  
Partner



Place: Mumbai  
Date: 22 November, 2013

For and on behalf of the Board

Ashok B. Jiwrajka  
Director

Dilip B. Jiwrajka  
Director

Surendra B. Jiwrajka  
Director

Place: Mumbai  
Date: 22 November, 2013





**GRABAL ALOK INTERNATIONAL LIMITED**

**NOTES TO FINANCIAL STATEMENT FOR THE PERIOD 01 APRIL 2012 TO 30 SEPTEMBER 2013**

**1. Background**

- A.** Grabal Alok International Limited incorporated on November, 2005 under the laws of British Virgin Island as an 'International Business Company', is a wholly owned subsidiary of Alok Infrastructure Limited, Company incorporated in India. These financial statements are prepared solely for the purpose of consolidation by Alok Industries Limited, the ultimate holding company, and to comply with the provisions of Section 212 of the Indian Companies Act, 1956.
- B.** The Company continued to incur losses during the period resulting in significant accumulated losses as on 30 September 2013. The Company continues to be supported (financially & operationally) by Alok Industries Ltd, the ultimate holding company and is contemplating various options to improve the business operations in future. On that basis, the accounts of the Company are prepared on going concern basis.

**2. A. Basis of Preparation of Financial Statements**

These accompanying condensed interim financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India, the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006.

**Translation to Indian Rupees:-**

The accounts are maintained in US Dollars being the currency of British Virgin Island. The accounts are translated to Indian Rupees as follows:-

- (i) All income and expenses are translated at the average rate of exchange prevailing during the year.
- (ii) Assets and Liabilities are translated at the closing rate on the balance sheet date.
- (iii) Share Capital including share application money is translated at historical rates.
- (iv) The resulting exchange difference is accumulated in 'Foreign Currency Translation Reserve'.

**B. Use of Estimates**

The preparation of financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between, the actual results and estimates are recognised in the period in which the results are known / materialise.

**C. Revenue Recognition**

- (i) Revenue is recognised when no significant uncertainty as to determination and realisation exists.
- (ii) Dividend income is recognised when the Company's right to receive the dividend is established.
- (iii) Interest income is recognised on time proportionate basis.

**D. Investments**

Investments classified as Long Term Investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of investments.

**E. Foreign Currency Transactions**

- (i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transactions.
- (ii) Monetary items denominated in foreign currencies at the period end are restated at the period end rates.
- (iii) Non-monetary foreign currency items are carried at cost.
- (iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the statement of profit and loss.

**F. Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

PARTICULARS	AS AT 30-Sep-13 Rupees	AS AT 30-Sep-13 USD	AS AT 31-Mar-12 Rupees	AS AT 31-Mar-12 USD
<b>3. SHARE CAPITAL</b>				
<b>(a) Authorised Shares</b>				
100,000 Equity Shares of USD 1 each	4,437,275	100,000	4,437,275	100,000
65,000,000 Class A Cumulative Redeemable Preference Shares of USD 1 each	2,902,250,000	65,000,000	2,902,250,000	65,000,000
100,000,000 Class B Cumulative Redeemable Preference Shares of USD 1 each	4,465,000,000	100,000,000	4,465,000,000	100,000,000
	<u>7,371,687,275</u>	<u>165,100,000</u>	<u>7,371,687,275</u>	<u>165,100,000</u>
<b>(b) Issued, Subscribed and fully paid-up shares</b>				
<b>Equity Share Capital</b>				
50,025 Equity Shares of USD 1 each fully paid up	2,205,891	50,025	2,205,891	50,025
<b>Preference Share Capital</b>				
17,144,439 Class 'A' 1% Cumulative Redeemable Preference Shares of USD 1 each fully paid up	724,802,205	17,144,439	724,802,205	17,144,439
9,721,135 (Previous year NIL) Class 'A' Redeemable Preference Shares of USD 1 each fully paid up	485,340,552	9,721,135	-	-
<b>TOTAL</b>	<u>1,212,348,648</u>	<u>26,915,599</u>	<u>727,008,096</u>	<u>17,194,464</u>





## GRABAL ALOK INTERNATIONAL LIMITED

## NOTES TO FINANCIAL STATEMENT FOR THE PERIOD 01 APRIL 2012 TO 30 SEPTEMBER 2013

## a) Reconciliation of number of equity shares outstanding at the beginning and at the end of reporting period/year

## Number of Equity Shares

Particulars	AS AT 30-Sep-13	AS AT 31-Mar-12
Opening balance	50,025	50,000
Issued during the period / year	-	25
Closing balance	50,025	50,025

## b) Terms/rights attached to equity shares

The company has only one class of equity shares having par value of USD 1/- per share. Each holder of equity share is entitled to one vote per shares. The Shareholders are entitled for dividend in USD as and when recommended by the Board of Directors and approved by the Shareholders at the Annual General Meeting. Further, in the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholder.

- c) During the previous year, Alok Industries Limited, the ultimate holding company sold its entire stake of 100% of share capital in the company to Alok Infrastructure Limited, a fellow subsidiary. Accordingly, Alok Infrastructure Limited, has now become the holding company of the company.

## d) Reconciliation of number of preference shares outstanding at the beginning and at the end of reporting period/year

## Number of Preference Shares

Particulars	AS AT 30-Sep-13	AS AT 31-Mar-12
Opening balance	17,144,439	17,144,439
Issued during the period/year	9,721,135	-
Closing balance	26,865,574	17,144,439

## e) Terms/rights attached to preference shares

- A) The company has two class of preference shares having par value of USD 1/- per share.

## Class A Cumulative Redeemable Preference Shares of USD 1 each:

All Class A Preference Shares shall have one vote each and have the same rights with regard to the dividends and distributions upon liquidation of the Company.

Following class A preference shares have been issued by the company:

- (i) 5,173,887 (Previous Year 5,173,887) 1% Cumulative Redeemable class A Preference shares issued to Alok Infrastructure Limited (earlier Alok Industries Limited) are redeemable after 10 years from the respective dates of allotments starting from 29 December 2005 to 23 May 2007 with a put and call option given at the end of each year.
- (ii) 7,470,552 (Previous Year 7,470,552) 1% Cumulative Redeemable class A Preference shares issued to Alok Industries International Limited are redeemable after 10 years from the date of allotment i.e. 09 April 2008 with a put and call option given at the end of each year.
- (iii) 4,500,000 (Previous Year 4,500,000) 1% Cumulative Redeemable class A Preference shares issued to Alok Industries International Limited are redeemable after 10 years from the date of allotment i.e. 31 March 2010 with a put and call option given at the end of each year.
- (iv) 9,721,135 (Previous Year NIL) Redeemable class A Preference shares issued to Alok Infrastructure Limited (earlier Alok Industries Limited) are redeemable after 10 years from the date of allotment i.e. 01 July 2012 with a put and call option given at the end of each year and at sole discretion of holding Company.

Alok Industries International Limited and Alok Infrastructure Limited have, in the earlier year(s), agreed to waive all past and future preference dividend on cumulative preference shares.

Accordingly, there is no cumulative preference dividend liability on the above cumulative redeemable preference shares ((i) to (iii)) as on 30 September 2013

- B) The company has not issued any class B preference shares.

## f) Shareholder holding more than 5 percent of the preference Share Capital

Name of the share holder	30-Sep-13		31-Mar-12	
	No of shares	%	No of shares	%
Alok Infrastructure Limited (earlier Alok Industries Limited)	14,895,022	55%	5,173,887	30%
Alok Industries International Limited	11,970,552	45%	11,970,552	70%





## GRABAL ALOK INTERNATIONAL LIMITED

## NOTES TO FINANCIAL STATEMENT FOR THE PERIOD 01 APRIL 2012 TO 30 SEPTEMBER 2013

PARTICULARS	AS AT 30-Sep-13 Rupees	AS AT 30-Sep-13 USD	AS AT 31-Mar-12 Rupees	AS AT 31-Mar-12 USD
<b>4. RESERVES AND SURPLUS</b>				
Foreign currency translation reserve				
Balance as per last Balance Sheet	137,996,800		47,488,883	
Add: During the period / year	203,280,553		90,507,917	
	341,277,353	-	137,996,800	-
Deficit in the Statement of Profit and Loss				
Balance as per last Balance Sheet	(314,166,397)	(6,660,518)	(176,415,757)	(3,787,468)
Add: Loss for the period / year	(266,184,807)	(4,751,397)	(137,750,640)	(2,873,050)
	(580,351,204)	(11,411,915)	(314,166,397)	(6,660,518)
<b>TOTAL</b>	<b>(239,073,851)</b>	<b>(11,411,915)</b>	<b>(176,169,597)</b>	<b>(6,660,518)</b>
<b>5. LONG-TERM BORROWINGS (Unsecured)</b>				
Compulsorily Convertible Debentures [Refer note below]	2,511,080,000	40,000,000	2,557,825,000	50,000,000
<b>TOTAL</b>	<b>2,511,080,000</b>	<b>40,000,000</b>	<b>2,557,825,000</b>	<b>50,000,000</b>
Compulsorily Convertible Debentures issued on 29 July 2011 to Triumphant Victory Holdings Limited are redeemable in twenty equal quarterly instalments with effect from 01 November, 2013 as mutually decided between the issuer and holder vide letter dated 29 October 2013.				
<b>6. SHORT TERM BORROWING (Unsecured)</b>				
Loans & advances from related party (Refer note no. 16)	214,847,373	3,422,390	175,452,625	3,429,723
Temporary overdrawn bank balance	48,687	776	22,662	443
<b>TOTAL</b>	<b>214,896,060</b>	<b>3,423,166</b>	<b>175,475,287</b>	<b>3,430,166</b>
<b>7. Trade Payables</b>				
Creditors for Supplies / Services	674,160	10,739	572,953	11,200
<b>TOTAL</b>	<b>674,160</b>	<b>10,739</b>	<b>572,953</b>	<b>11,200</b>
<b>8. Other Current Liabilities</b>				
Current maturities of long term borrowings (Refer note no. 5 above)	627,770,000	10,000,000	-	-
Due to Alok Industries International Limited towards compulsory convertible bonds (Refer note no. 17)	873,720,869	13,917,850	-	-
<b>TOTAL</b>	<b>1,501,490,869</b>	<b>23,917,850</b>	<b>-</b>	<b>-</b>
<b>9. NON CURRENT INVESTMENTS (at cost) (Unquoted) (Trade)</b>				
Investments in Equity Instruments				
276,950,232 Ordinary Shares in Grabal Alok (UK) Limited of GBP 0.001 each (Refer note no. 18)	4,092,939,241	65,198,070	3,335,305,068	65,198,070
Investments in Bonds				
Compulsorily Convertible Bonds of Alok Industries International Ltd. (Refer note no. 17)	873,720,869	13,917,850	-	-
<b>TOTAL</b>	<b>4,966,660,110</b>	<b>79,115,920</b>	<b>3,335,305,068</b>	<b>65,198,070</b>
<b>10. LONG TERM LOANS &amp; ADVANCES (Unsecured, considered good)</b>				
Prepaid expenses	79,498,837	1,266,369	90,132,893	1,761,905
<b>TOTAL</b>	<b>79,498,837</b>	<b>1,266,369</b>	<b>90,132,893</b>	<b>1,761,905</b>
<b>11. CASH AND BANK BALANCES</b>				
Balance with Bank				
In Current Accounts	1,181,680	18,823	2,694,413	52,670
In Deposit Accounts	-	-	209,572,373	4,096,691
<b>TOTAL</b>	<b>1,181,680</b>	<b>18,823</b>	<b>212,266,786</b>	<b>4,149,361</b>
<b>12. SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good)</b>				
Loans & advances to related parties (Refer note no. 16)	133,336,438	2,123,970	115,447,636	2,256,754
Prepaid Expenses	20,738,821	330,357	16,899,908	330,357
<b>TOTAL</b>	<b>154,075,259</b>	<b>2,454,327</b>	<b>132,347,544</b>	<b>2,587,111</b>





## GRABAL ALOK INTERNATIONAL LIMITED

## NOTES TO FINANCIAL STATEMENT FOR THE PERIOD 01 APRIL 2012 TO 30 SEPTEMBER 2013

PARTICULARS	18 months ended 30-Sep-13		Year ended 31-Mar-12	
	Rupees	USD	Rupees	USD
<b>13. OTHER INCOME</b>				
Interest Income on bank fixed deposits	3,906,387	69,729	2,462,831	51,367
Sundry Balances written Back	-	-	48,809	1,018
Exchange Rate gain (Net)	74,959	1,339	-	-
<b>TOTAL</b>	<b>3,981,346</b>	<b>71,068</b>	<b>2,511,640</b>	<b>52,385</b>
<b>14. FINANCE COSTS</b>				
Interest expense on borrowings (Refer note no.16)	239,854,868	4,281,409	128,934,752	2,689,178
Other borrowing costs	29,319,125	523,346	10,587,245	220,817
<b>TOTAL</b>	<b>269,173,993</b>	<b>4,804,755</b>	<b>139,521,997</b>	<b>2,909,995</b>
<b>15. OTHER EXPENSES</b>				
Legal and Professional Fees	77,171	1,377	319,031	6,654
Auditor's Remuneration (including Service Tax)	914,989	16,333	421,252	8,786
<b>TOTAL</b>	<b>992,160</b>	<b>17,710</b>	<b>740,283</b>	<b>15,440</b>





**GRABAL ALOK INTERNATIONAL LIMITED**

**NOTES TO FINANCIAL STATEMENT FOR THE PERIOD 01 APRIL 2012 TO 30 SEPTEMBER 2013**

**16. Related Parties Disclosures**

As per Accounting Standard AS - 18 "Related Party Disclosures", Company's related parties disclosed as below:

Alok Industries Limited	Ultimate holding Company
Alok Infrastructure Limited	Holding Company
Alok Industries International Limited	Fellow Subsidiary Company
Grabal Alok (UK) Limited	Associate Company
Triumphant Victory Holdings Limited	Entity Under Common Control

<b>Transaction</b>	<b>In Rupees</b>	<b>In USD</b>
<b>Equity Share Capital</b>		
<b>Alok Infrastructure Limited</b>		
Balance as at 1 April	2,205,891	50,025
	(2,204,775)	(50,000)
Allotted during the period / year	(1,116)	(25)
Balance as at Period end	2,205,891	50,025
	(2,205,891)	(50,025)
<b>Preference Share Capital</b>		
<b>Alok Infrastructure Limited</b>		
Balance as at 1 April	222,712,667	5,173,887
	(222,712,667)	(5,173,887)
Allotted during the period / year	485,340,552	9,721,135
(Share application money received in previous year)	(-)	(-)
Balance as at period end	708,053,219	14,895,022
	(222,712,667)	(5,173,887)
<b>Alok Industries International Limited</b>		
Balance as at 1 April	502,089,538	11,970,552
	(502,089,538)	(11,970,552)
Balance as at period end	502,089,538	11,970,552
	(502,089,538)	(11,970,552)
<b>Short term borrowing</b>		
<b>a) Alok Industries International Limited</b>		
Balance as at 1 April	175,452,625	3,429,773
	(215,492,738)	(4,826,266)
Repaid during the period / year	1,146,611	20,467
	(71,442,252)	(1,396,543)
Translation Difference during the period / year	39,719,960	-
	(31,402,139)	(-)
Balance as at period end	214,025,974	3,409,306
	(175,452,625)	(3,429,773)
<b>b) Alok Industries Limited</b>		
Received during the period / year	732,997	13,084
	(-)	(-)
Translation difference during the period / year	88,402	-
	(-)	(-)
Balance as at period end	821,399	13,084
	(-)	(-)
<b>Long term borrowing (including current maturities)</b>		
<b>Triumphant Victory Holdings Limited</b>		
Balance as at period end	3,138,850,000	50,000,000
	(2,557,825,000)	(50,000,000)
<b>Other Current Liabilities</b>		
<b>Alok Industries International Limited</b>		
Received during the period / year	779,711,634	13,917,850
	(-)	(-)
Translation Difference during the period / year	94,009,235	-
	(-)	(-)
Balance as at period end	873,720,869	13,917,850
	(-)	(-)





## GRABAL ALOK INTERNATIONAL LIMITED

## NOTES TO FINANCIAL STATEMENT FOR THE PERIOD 01 APRIL 2012 TO 30 SEPTEMBER 2013

Transaction	In Rupees	In USD
<b>Investment</b>		
<b><u>Grabal Alok (UK) Limited</u></b>		
Balance as at period end	4,092,939,241 (3,335,305,068)	65,198,070 (65,198,070)
<b><u>Alok Industries International Limited</u></b>		
Addition during the period / year	779,711,634 (-)	13,917,850 (-)
Translation difference during the period / year	94,009,235 (-)	- (-)
Balance as at period end	873,720,869 (-)	13,917,850 (-)
<b>Short term loans and advances</b>		
<b><u>a) Triumphant Victory Holdings Limited</u></b>		
Balance as at 1 April	85,866,698 (9,083,998)	1,678,510 (203,449)
Paid during the period / year	7,438,881 (75,458,958)	132,784 (1,475,061)
Translation difference during the period / year	18,608,213 (152,241,658)	- (-)
Balance as at period end	97,036,030 (85,866,698)	1,545,726 (1,678,510)
<b><u>b) Alok Infrastructure Limited</u></b>		
Balance as at 1 April	29,580,939 (211,770,450)	578,244 (4,742,899)
Accepted / Repaid during the period / year	- (213,049,174)	- (4,164,655)
Translation difference during the period / year	6,719,469 (30,859,663)	- (-)
Balance as at period end	36,300,408 (29,580,939)	578,244 (578,244)
<b><u>Upfront Fees Paid</u></b>		
Alok Industries International Limited	27,761,134 (10,559,484)	495,536 (220,238)
<b><u>Interest Paid</u></b>		
Triumphant Victory Holdings Limited	239,854,868 (128,934,752)	4,281,409 (2,689,178)
<b><u>Borrowing cost</u></b>		
Triumphant Victory Holdings Limited	1,538,264 (-)	27,458 (-)

Note : Figures of previous year are given in brackets.

17. Alok Industries International Ltd., ("Alok BVI"), a fellow subsidiary of the Company have, during the earlier year, issued unsecured floating rate Compulsorily Convertible bonds of USD 56.50 million to Deutsche Bank, AG, Singapore at a discount of USD 6.50 million. The holders have a green shoe option aggregating USD 50 million. At the end of maturity (July 2014) such bonds are convertible into Class A preference shares of Alok BVI of USD 1.00 each (USD 56.50 million).

The Company has agreed to purchase such bonds issued by Alok BVI from Deutsche Bank on scheduled put option dates between the 33rd month (July 2013) to 42nd month (April 2014) from the issue date.

During the period, Deutsche Bank exercised the first put option and the Company purchased bonds amounting to USD 13,917,850 (Rs. 873,720,869) by borrowing an equivalent amount from Alok BVI vide letter dated 15 July 2013. Such bonds are interest free as mutually agreed.

18. The Company has equity exposure of USD 65,198,070 (Rs 4,092,939,241) in Grabal Alok (UK) Ltd ("GA UK"), an associate company, which runs a chain of value format clothing stores under the brand "Store Twenty One" across UK, Scotland and Wales.

The management of Alok Industries Ltd ("Holding company") is considering exiting this business since the group's efforts in revamping the business have not made much headway primarily due to economic downturn in the UK economy. At the same time, GA UK, with support from the holding company is working on plans / options to turnaround this company and with a visible revival of the UK economy, believes that there is significant value which can be realised. Further, the Holding Company management, in the process of assessing the recoverability of goodwill on consolidation relating to GA UK appearing in their balance sheet, got in to certain early stage negotiations with potential buyers which indicates a recoverable value of approximately Rs 288 crores.

The management of this company has considered the aforesaid facts in assessing "other than temporary" diminution in its investments and has concluded that the aforesaid value does not indicate the intrinsic strength of the business of GA UK. As such, the Company would initiate an appropriate exercise for value discovery shortly, based on which necessary diminution would be recognised in the financial statements. Had the Company recognised "other than temporary" diminution in investments based on the indicative value of Rs 288 crores as aforesaid, the provision for diminution relating to 48.71% share would have been USD 42,851,542 (Rs. 2,690,091,240).





## GRABAL ALOK INTERNATIONAL LIMITED

## NOTES TO FINANCIAL STATEMENT FOR THE PERIOD 01 APRIL 2012 TO 30 SEPTEMBER 2013

**19. Segment Reporting**

The Company is engaged in the business of making strategic long term investment and all activities revolve around such business. Accordingly, this is the only reportable segment of the company.

**20. Earnings per share**

Particulars	18 months ended 30-Sept-13		Year ended 31-Mar-12	
	Rupees	USD	Rupees	USD
Net Loss for the period / year	(266,184,807)	(4,751,397)	(137,750,640)	(2,873,050)
Weighted average number of equity shares (Nos.)	50,025	50,025	50,025	50,025
Nominal Value of equity share	N.A.	1.00	N.A.	1.00
Basic and Diluted Earnings per share	(5,321.04) *	(94.98) *	(2,753.64)	(57.43)

\* not annualised

**21. Expenditure in Foreign Currency**

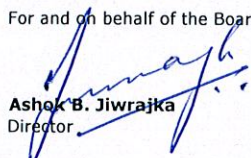
All transactions reflected in these financial statements are in foreign currency i.e. other than Indian Rupees.

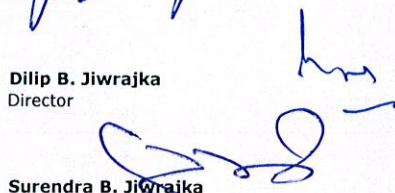
22. The information contained in the financial statements for the period ended 30 September 2013, disclosed in US dollars is extracted from the books of accounts locally maintained and converted into Indian Rupees as disclosed under basis of preparation stated above and the amounts in Balance Sheet, Statement of Profit and Loss and cash flow statement are rounded off to the nearest Rupee / USD. Previous year 's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.


23. The Company has extended its accounting year end from 31 March 2013 to 30 September 2013. Accordingly, figures for the current year are for a period of 18 months from 1 April 2012 to 30 September 2013, whereas figures for the previous year are for a period of 12 months and hence such figures are not comparable.

Signatures to notes 1 to 23

For and on behalf of the Board

  
Ashok B. Jiwrajka  
Director

  
Dilip B. Jiwrajka  
Director

  
Surendra B. Jiwrajka  
Director

Place: Mumbai  
Date: 22 November, 2013

