

Narendra Poddar & Co.

CHARTERED ACCOUNTANTS

Narendra Poddar

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Date

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. ALOK INDUSTRIES INTERNATIONAL LIMITED

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of M/s. Alok Industries International Limited ("the Company") which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, (statement of changes in equity), and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its Loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial



Alok Industries International Limited

controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and 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.

That Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility 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 SAs 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.

Other Matter

The company is not having any branch.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we state that this section is not applicable to the company.

As required by Section 143(3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- a. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- b. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- c. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d. On the basis of the written representations received from the directors as on **March 31, 2022** taken on record by the Board of Directors, none of the directors is disqualified as on **March 31, 2022** from being appointed as a director in terms of Section 164 (2) of the Act.
- e. With respect to the adequacy of the **internal financial controls** over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".



Alok Industries International Limited

f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

1. The Company does not have any pending litigations which would impact its financial position.
2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

g. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

h. The dividend have not been declared or paid during the year by the company

i. The company has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For Narendra Poddar & Co.

Chartered Accountants

FRN No. 106915W

Narendra Poddar, Proprietor

Membership No. 041256

Mumbai, 5th April 2022



Annexure A" to the Independent Auditor's Report of even date on the Financial Statements of ALOK INDUSTRIES INTERNATIONAL LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **ALOK INDUSTRIES INTERNATIONAL LIMITED** ("the Company") as of **March 31, 2022** in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **March 31, 2022**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Narendra Poddar & Co.

Chartered Accountants

FRN No. 106915W

Pm Narendra



Narendra Poddar, Proprietor

Membership No. 041256

Mumbai, 5th April 2022

ALOK INDUSTRIES INTERNATIONAL LIMITED

BALANCE SHEET AS AT 31 st March 2022

PARTICULARS	NOTES	AS AT 31st March,2022 Rupees	AS AT 31st March,2022 USD	AS AT 31st March,2021 Rupees	AS AT 31st March,2021 USD
ASSETS					
(1) NON-CURRENT ASSETS					
a) Financial Assets Investments	2	79,07,71,940	1,04,61,686	76,89,83,084	1,04,61,686
(2) CURRENT ASSETS					
a) Financial Assets Loans	3	1,06,20,96,854	1,40,51,237	1,03,61,71,810	1,40,96,675
TOTAL		1,85,28,68,794	2,45,12,923	1,80,51,54,894	2,45,58,361
LIABILITIES					
(1) EQUITY					
a) Equity Share capital	4	22,13,940	50,000	22,13,940	50,000
b) Other Equity	5	(19,43,01,10,824)	(25,70,75,501)	(18,89,14,56,484)	(25,70,30,063)
		(19,42,78,96,884)	(25,70,25,501)	(18,88,92,42,544)	(25,69,80,063)
(2) NON-CURRENT LIABILITIES					
a) Financial liabilities Borrowings	6	4,91,61,53,656	6,50,39,302	4,78,06,94,415	6,50,39,302
(3) CURRENT LIABILITIES					
a) Financial liabilities					
i) Borrowing	7	12,47,73,18,761	16,50,71,347	12,13,35,19,878	16,50,71,347
ii) Trade payables	8	2,07,941	2,751	2,02,211	2,751
iii) Other Financial Liability	9	2,63,61,23,287	3,48,75,155	2,56,34,87,791	3,48,75,155
b) Other current liabilities	10	1,25,09,62,033	1,65,49,869	1,21,64,93,143	1,65,49,869
TOTAL		1,85,28,68,794	2,45,12,923	1,80,51,54,894	2,45,58,361

Notes forming part of the financial statements 1 to 27

As per our report of even date

For Narendra Poddar & Co.
Chartered Accountants
FRN No. 106915W

Pm Narendar



Narendra Poddar, Proprietor
Membership No. 041256

Mumbai, 5th April 2022

For and on behalf of the Board

Dilip B. Jiwrajka

Dilip B. Jiwrajka
Director
DIN-00173476

Surendra B. Jiwrajka

Surendra B. Jiwrajka
Director
DIN-00173525

ALOK INDUSTRIES INTERNATIONAL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 st March 2022

PARTICULARS	NOTES	YEAR ENDED 31st March,2022		YEAR ENDED 31st March,2021	
		Rupees	USD	Rupees	USD
I INCOME					
Other income	11	1,23,00,270	1,65,056	1,23,45,924	1,66,385
II TOTAL		1,23,00,270	1,65,056	1,23,45,924	1,66,385
III EXPENSES					
Other expenses	12	1,56,86,349	2,10,494	7,13,73,064	9,71,000
IV TOTAL		1,56,86,349	2,10,494	7,13,73,064	9,71,000
V NET PROFIT/(LOSS) FOR THE PERIOD (II - III)		(33,86,079)	(45,438)	(5,90,27,140)	(8,04,615)
VI OTHER COMPREHENSIVE INCOME					
A (i) Items that will be reclassified to profit or loss					
- Net exchange Profit/Loss on translation		(53,52,68,261)	-	48,18,01,395	-
V PROFIT/(LOSS) FOR THE PERIOD (II-IV)		(53,86,54,340)	(45,438)	42,27,74,255	(8,04,615)
VI EARNINGS PER SHARE (FOR CONTINUING OPERATIONS)					
Basic		(67.72)	(0.91)	(1,180.54)	(16.09)
Diluted		(67.72)	(0.91)	(1,180.54)	(16.09)

Notes forming part of the financial statements

1 to 27

As per our report of even date

For Narendra Poddar & Co.
Chartered Accountants
FRN No. 106915W

P M Narendar



Narendra Poddar, Proprietor
Membership No. 041256

Mumbai, 5th April 2022

For and on behalf of the Board

[Signature]
Dilip B. Jiwrajka
Director
DIN-00173476

[Signature]
Surendra B. Jiwrajka
Director
DIN-00173525

ALOK INDUSTRIES INTERNATIONAL LIMITED

Statement of Changes in Equity for the year ended 31 st March 2022

A) EQUITY SHARE CAPITAL	As At 31-Mar-22		As At 31-Mar-21	
	INR	USD	INR	USD
Balance at the beginning of the reporting year	22,13,940.00	50,000.00	22,13,940.00	50,000.00
Changes in Equity Share Capital during the year	-	-	-	-
Balance at the end of the reporting year	22,13,940.00	50,000.00	22,13,940.00	50,000.00

B) OTHER EQUITY	Foreign Currency Monetary Item		Retained earnings		Total	
	INR	USD	INR	USD	INR	USD
Balance as at 31st March, 2021	(3,47,38,71,233.00)	-	(15,41,75,85,251.00)	(25,70,30,063.00)	(18,89,14,56,484.00)	(25,70,30,063.00)
Addition/Reduction during the Year	(53,52,68,261.00)	-	(33,86,079.00)	(45,438.00)	(53,86,54,340.00)	(45,438.00)
Balance as of March 31, 2022	(4,00,91,39,494.00)	-	(15,42,09,71,330.00)	(25,70,75,501.00)	(19,43,01,10,824.00)	(25,70,75,501.00)



CORPORATE INFORMATION

Alok Industries International Limited was incorporated in January, 2007 under the laws of British Virgin Island as an 'International Business Company', is a wholly owned subsidiary of Alok Infrastructure Limited, a Company incorporated in India.

The Company continued to incur losses during the period resulting in significant accumulated losses as on 31st March 2022. 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.

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES**a) Basis of preparation:****i) Compliance with Ind AS:**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, hereinafter referred to as Ind AS.

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

ii) Historical cost convention:

The Financial Statements have been prepared on a historical cost basis, except for the following:

- a. certain financial assets and liabilities that are measured at fair value;
- b. assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- c. defined benefit plans - plan assets measured at fair value;

iii) Translation to Indian Rupees:

The accounts are maintained in US Dollars being 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 period.
- (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 'Currency Translation Reserve'

b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current



ALOK INDUSTRIES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

c) Revenue recognition:

i) Timing of recognition:

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods, the amount of revenue can be measured reliably and it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities of the Company. This generally happens upon dispatch of the goods to customers, except for export sales which are recognised when significant risk and rewards are transferred to the buyer as per the terms of contract.

Eligible export incentives are recognised in the year in which the conditions precedent is met and there is no significant uncertainty about the collectability.

ii) Measurement of revenue:

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government which are levied on sales such as sales tax, value added tax, etc.

Revenue includes excise duty as it is paid on production and is a liability of the manufacturer. Discounts given include rebates, price reductions and other incentives given to customers. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale

The volume discounts are assessed based on anticipated annual purchases.

Interest Income

For all debt instruments measured at amortised cost, interest income is measured using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.



d) Investments and other financial assets:

Classification:

The Company classifies its financial assets in the following measurement categories:

- i) Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss), and
- ii) Those measured at amortised cost.

The classification depends on business model of the entity for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income.

For investments in debt instruments, it depends on the business model in which the investment is held.

For investments in equity instruments, it depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

Initial recognition and measurement:

Financial assets are recognised when the Company becomes a party to the contractual terms of the instrument.

Transaction Cost

Financial assets are recognised initially at fair value plus/minus (in the case of financial assets are not recorded at fair value through profit or loss) transaction costs that are attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in Profit or Loss.

Subsequent measurement:

After initial recognition, financial assets are measured at:

- i) Fair value {either through Other Comprehensive Income (FVOCI) or through profit or loss (FVPL)} or,
- ii) Amortised cost

Debt instruments:

Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset.

There are three measurement categories into which the Company classifies its debt instruments:

Measured at amortised cost:

Debt instruments that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in Profit or Loss.

Measured at fair value through Other Comprehensive Income (OCI):

Debt instruments that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI (net of taxes). Interest income measured using the EIR method and impairment losses, if any are recognised in Profit or Loss. On de-recognition, cumulative gain | (loss) previously recognised in OCI is reclassified from the equity to Profit or Loss.

Measured at fair value through profit or loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in Profit or Loss.



Equity instruments:

The Company subsequently measures all investments in equity instruments other than subsidiary companies, associate company and Joint Venture Company at fair value. The Management of the Company has elected to present fair value gains and losses on such equity investments in Profit or Loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in Profit or Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Investments in subsidiary companies, associate company and joint venture company :

Investments in subsidiary companies, associate company and Joint Venture Company are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies, associate company and Joint Venture Company, the difference between net disposal proceeds and the carrying amounts are recognised in Profit or Loss.

Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 44 details how the Company determines whether there has been a significant increase in credit risk. For trade and lease receivable only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of such receivables.

De-recognition:

A financial asset is de-recognised only when

- i) The Company has transferred the rights to receive cash flows from the financial asset ,or
- ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial liabilities & Equity instruments:

i) Classification as debt or equity - Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii) Initial recognition and measurement - Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

iii) Subsequent measurement - Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in Profit or Loss.

iv) De-recognition - A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.



e) Fair Value Measurement

The Company measures financial instruments, such as Derivatives, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of the principal market, in the most advantageous market for the asset of liability.

The principal or the most advantageous market must be accessible by the company. The fair value of asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

External Valuers are involved for valuation of significant assets such as certain items or property, plant and equipment. For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

f) Inventories:

Items of Inventories are valued on the basis given below:

- i. Raw materials, packing materials, stores and spares: at cost determined on First – in – First – Out (FIFO) basis or net realisable value whichever is lower.
- ii. Process stock and finished goods: At cost or net realisable values whichever is lower.

Cost comprises of cost of purchase, costs of conversion and other costs incurred in bringing the inventory to its present location and condition.

The net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company.



g) Cash and cash equivalents:

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

h) Trade receivable:

Trade receivables are initially recognised at fair value of the revenue. Subsequently, trade receivables are stated at cost less provision for impairment, if any.

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed and individual limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

The Company applies expected credit losses (ECL) model for measurement and recognition of provision / loss allowance on the Trade receivables.

As a practical expedient, the Company uses a provision matrix to measure ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default floating rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in Profit or Loss under the head 'Other expenses'.

i) Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income | (expense). Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

j) Borrowing costs:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

k) Provisions and contingent liabilities:

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.



ALOK INDUSTRIES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

l) Earnings per share:

Earnings per share (EPS) are calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period. The treasury shares are not considered as outstanding equity shares for computing EPS.

m) Foreign Currency Transactions

Foreign Currency Transactions are recorded at the exchange rates prevailing on the date of the transaction.

Monetary items denominated in Foreign Currency are reported at the exchange rate prevailing on the balance sheet date. Exchange differences relating to long term monetary items are dealt with in the following manner:

- Exchange differences relating to long term monetary items, arising during the period, in so far as those relate to the acquisition of a depreciable capital asset are added to / deducted from the cost of the asset and depreciated over the balance life of the asset
- In other cases, such differences are accumulated in the "Foreign Currency Monetary Translation Difference Account" and amortised to the statement of profit and loss over the balance life of the long term monetary item.

All other exchange differences are dealt with in profit or loss.



ALOK INDUSTRIES INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31 st March 2022

PARTICULARS	AS AT 31st March,2022 Rupees	AS AT 31st March,2022 USD	AS AT 31st March,2021 Rupees	AS AT 31st March,2021 USD
NON - CURRENT ASSETS				
2. INVESTMENTS				
Investments in Equity Instruments				
In Subsidiary Companies				
Alok European Retail S.R.O. 200 Equity Shares of CZK 1000 each Less: provision for diminution in value of investment	9,46,355 (9,46,355)	12,520 (12,520)	9,20,279 (9,20,279)	12,520 (12,520)
Mileta, a.s. (refer note 1) 11,80,152 Equity Shares of CZK 196 each Less: provision for diminution in value of investment	1,26,54,54,560 (47,46,82,620)	1,67,41,601 (62,79,915)	1,23,05,86,343 (46,16,03,259)	1,67,41,601 (62,79,915)
	79,07,71,940	1,04,61,686	76,89,83,084	1,04,61,686
Others				
Grabal Alok (UK) Limited (Refer note 2) 41,350,197,008 Equity Shares of GBP 0.001 each Less: provision for diminution in value of investment	10,87,18,47,063 (10,87,18,47,063)	14,38,31,418 (14,38,31,418)	10,57,22,85,198 (10,57,22,85,198)	14,38,31,418 (14,38,31,418)
Investment in Preference shares				
Others				
Convertible Loan Notes of Grabal Alok UK Less: provision for diminution in value of investment	2,53,81,48,928 (2,53,81,48,928)	3,35,78,982 (3,35,78,982)	2,46,82,13,009 (2,46,82,13,009)	3,35,78,982 (3,35,78,982)
PowerCor LLC Subscription towards 5% Group B Membership interest Less: provision for diminution in value of investment	55,97,49,478 (55,97,49,478)	74,05,325 (74,05,325)	54,43,26,193 (54,43,26,193)	74,05,325 (74,05,325)
Aisle5 LLC 22 senior units of the equity capital Less: provision for diminution in value of investment	9,90,19,532 (9,90,19,532)	13,10,000 (13,10,000)	9,62,91,157 (9,62,91,157)	13,10,000 (13,10,000)
TOTAL	79,07,71,940	1,04,61,686	76,89,83,084	1,04,61,686
3. LOANS				
(considered good)				
Loans to related parties	1,06,20,96,854	1,40,51,237	1,03,61,71,810	1,40,96,675
	1,06,20,96,854	1,40,51,237	1,03,61,71,810	1,40,96,675
Considered Doubtful				
Loans and advances to related parties	38,63,46,910	51,11,259	37,57,01,542	51,11,259
Others				
Advance to Axis bank	13,36,85,622	17,68,622	13,00,02,061	17,68,622
Advance to Aisle5 LLC	37,79,371	50,000	36,75,235	50,000
NEXT CREATION TRADING SING. PTE LTD	7,33,95,394	9,71,000	7,13,73,064	9,71,000
	59,72,07,297	79,00,881	58,07,51,902	79,00,881
Less : Provision for doubtful advance	(59,72,07,297)	(79,00,881)	(58,07,51,902)	(79,00,881)
	-	-	-	-
	1,06,20,96,854	1,40,51,237	1,03,61,71,810	1,40,96,675



PARTICULARS	AS AT	AS AT	AS AT	AS AT
	31st March,2022 Rupees	31st March,2022 USD	31st March,2021 Rupees	31st March,2021 USD
4. EQUITY SHARE CAPITAL				
(a) Authorised				
50,000 Equity Shares of USD 1 each	22,13,940	50,000	22,13,940	50,000
200,000,000 Cumulative Preference Shares of USD 1 each	9,15,73,17,000	20,00,00,000	9,15,73,17,000	20,00,00,000
100,000,000 Class A Redeemable Preference Shares of USD 1 par value each	4,46,50,00,000	10,00,00,000	4,46,50,00,000	10,00,00,000
100,000,000 Class B Redeemable Preference Shares of USD 1 par value each	4,46,50,00,000	10,00,00,000	4,46,50,00,000	10,00,00,000
	18,08,95,30,940	40,00,50,000	18,08,95,30,940	40,00,50,000
(b) Issued, subscribed and fully paid up				
Equity Share Capital				
50,000 Equity Shares of USD 1 each fully paid up	22,13,940	50,000	22,13,940	50,000
TOTAL	22,13,940	50,000	22,13,940	50,000

Note:

- a) There was no movement in share capital during the period and the previous period.
b) Reconciliation of equity shares outstanding at the beginning and at the end of reporting period

Number of Equity Shares

Particulars	AS AT 31st March,2022	AS AT 31st March,2021
Opening balance	50,000	50,000
Closing balance	50,000	50,000

Amount of Equity Shares

Particulars	AS AT 31st March,2022 Rupees	AS AT 31st March,2022 USD	AS AT 31st March,2021 Rupees	AS AT 31st March,2021 USD
Opening balance	22,13,940	50,000	22,13,940	50,000
Closing balance	22,13,940	50,000	22,13,940	50,000

c) 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.

d) Shareholder holding more than 5 percent of the Share Capital

Name of the shareholder	31st March,2022		31st March,2021	
	No of shares	%	No of shares	%
Alok Infrastructure Limited	50,000	100	50,000	100

5. OTHER EQUITY

a) Foreign currency translation reserve				
Balance as per last Balance Sheet	(3,47,38,71,233)	-	(3,95,56,72,628)	-
Less / (Add) : During the year	(53,52,68,261)	-	48,18,01,395	-
	(4,00,91,39,494)	-	(3,47,38,71,233)	-
b) IND AS Adjustment				
	-	-	-	-
c) Deficit in the Statement of Profit and Loss				
Balance as per last Balance Sheet	(15,41,75,85,251)	(25,70,30,063)	(15,35,85,58,111)	(25,62,25,448)
Loss for the period	(33,86,079)	(45,438)	(5,90,27,140)	(8,04,615)
IND AS Adjustment				
	(15,42,09,71,330)	(25,70,75,501)	(15,41,75,85,251)	(25,70,30,063)
TOTAL	(19,43,01,10,824)	(25,70,75,501)	(18,89,14,56,484)	(25,70,30,063)



PARTICULARS	AS AT 31st March,2022		AS AT 31st March,2021	
	Rupees	USD	Rupees	USD
NON-CURRENT LIABILITIES				
6. BORROWINGS (Unsecured)				
Compulsorily Convertible Debentures (Refer note (i) below)	-	-	-	-
Compulsorily Convertible Debentures (Refer note (ii) below)	1,73,85,10,867	2,30,00,000	1,69,06,08,100	2,30,00,000
Compulsorily Convertible Bonds (Refer note (iii) below)	1,40,02,73,095	1,85,25,211	1,36,16,90,101	1,85,25,211
Loan from related party	1,77,73,69,694	2,35,14,091	1,72,83,96,214	2,35,14,091
TOTAL	4,91,61,53,656	6,50,39,302	4,78,06,94,415	6,50,39,302

Additional Information

Compulsorily Convertible Debentures

- (i) Compulsorily Convertible Debentures of USD 36,734,000 (Previous period USD 36,734,000) issued to Triumphant Victory Holdings Limited are redeemable by way of bullet payment at the end of five years from 25 March 2014 as agreed between The Company and Triumphant Victory Holdings Limited vide letter dated 25 March 2014.
- (ii) Compulsorily Convertible Debentures issued to Alok Worldwide Limited, a fellow group company of USD 23,000,000 are redeemable at the end of five years from 25 March 2014 as mutually decided between the issuer and holder vide letter dated 25 March 2014.
- (iii) During an earlier year, Grabal Alok BVI has acquired Compulsorily Convertible Bonds aggregating to USD 18,525,221 from Deutsche Bank such Compulsorily Convertible Bonds are now interest free as mutually decided between the Company and Grabal Alok BVI.

CURRENT LIABILITIES

7. BORROWINGS (Unsecured)

Loans and advances from related party	12,47,73,18,761	16,50,71,347	12,13,35,19,878	16,50,71,347
TOTAL	12,47,73,18,761	16,50,71,347	12,13,35,19,878	16,50,71,347

8. TRADE PAYABLES

Creditors for services	2,07,941	2,751	2,02,211	2,751
TOTAL	2,07,941	2,751	2,02,211	2,751

9. OTHER FINANCIAL LIABILITY

Current maturity of long term borrowings	2,63,61,23,287	3,48,75,155	2,56,34,87,791	3,48,75,155
TOTAL	2,63,61,23,287	3,48,75,155	2,56,34,87,791	3,48,75,155

10. OTHER CURRENT LIABILITIES

Due to Grabal Alok (UK) Limited towards convertible loan notes	1,18,69,21,308	1,57,02,629	1,15,42,16,988	1,57,02,629
Advance from related party	6,40,40,713	8,47,240	6,22,76,141	8,47,240
TOTAL	1,25,09,62,021	1,65,49,869	1,21,64,93,129	1,65,49,869

PARTICULARS	YEAR ENDED 31st March,2022		YEAR ENDED 31st March,2021	
	Rupees	USD	Rupees	USD
11. OTHER INCOME				
Interest on investment	1,23,00,270	1,65,056	1,23,45,924	1,66,385
TOTAL	1,23,00,270	1,65,056	1,23,45,924	1,66,385
12. OTHER EXPENSES				
Legal and professional fees	99,04,859	1,32,913	-	-
Demat Charges	20,18,713	27,089	-	-
Provision for doubtful advances	-	-	7,13,73,064	9,71,000
Miscellaneous & Sundry Expenses	37,62,777	50,492	-	-
TOTAL	1,56,86,349	2,10,494	7,13,73,064	9,71,000



13. IMPACT OF COVID - 19

The company has evaluated impact of COVID -19 on its business operations and based on its review there is no significant impact on its financial statements.

14. RELATED PARTIES DISCLOSURES

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

I	Names of related party and nature of relationship	
	Alok Industries Limited	Ultimate Holding Company
	Alok Infrastructure Limited	Holding Company
	Mileta, a.s.	Subsidiary
	Grabal Alok (UK) Limited	Associate Company
	Grabal Alok International Limited	Fellow Subsidiary
	Alok Worldwide Limited	Fellow Subsidiary
	Alok International Inc.	Fellow Subsidiary
	Triumphant Victory Holdings Limited	Entity Under Common Control

II

Transactions with Related parties		
Transaction	In Rupees	In USD
Equity Share Capital		
Alok Infrastructure Limited		
Balance as at 1 April	22,13,940	50,000
	(22,13,940)	(50,000)
Balance as at 31 March	22,13,940	50,000
	(22,13,940)	(50,000)
Long term borrowings (Includes Long term borrowings, & current liabilities)		
Alok Worldwide Limited		
Balance as at 1 April	3,41,90,04,314	4,65,14,091
	(3,21,74,40,152)	(4,65,14,091)
	-	-
Translation difference during the period	9,68,76,247	-
	(28,90,66,471)	-
Balance as at 31 March	3,51,58,80,561	4,65,14,091
	(3,50,65,06,623)	(4,65,14,091)
Triumphant Victory Holdings Limited		
Balance as at 1 April	-	-
IND AS Effective Interest Rate effect	-	-
	(2,41,23,59,795)	(3,48,75,155)
Issued / (Repaid) during the period	-	-
	-	-
Translation difference during the period	-	-
	(21,67,35,137)	-
Balance as at 31 March	-	-
	(2,62,90,94,932)	(3,48,75,155)
Compulsory Convertible Bonds		
Grabal Alok International Limited		
Balance as at 1 April	1,36,16,90,101	1,85,25,211
	(1,28,14,12,950)	(1,85,25,211)
Issued during the period	-	-
	-	-
Translation difference during the period	3,85,82,994	-
	(8,02,77,151)	-
Balance as at 31 March	1,40,02,73,095	1,85,25,211
	(1,36,16,90,101)	(1,85,25,211)
Short-Term Borrowings		
Triumphant Victory Holdings Limited		
Balance as at 1 April	8,53,23,01,496	11,60,78,312
	(8,53,23,01,496)	(11,60,78,312)
Received during the period	-	-
	-	-
Translation difference during the period	24,17,59,667	-
	-	-
Balance as at 31 March	8,77,40,61,163	11,60,78,312
	(8,53,23,01,496)	(11,60,78,312)
Alok Infrastructure Limited		
Balance as at 1 April	3,57,36,16,774	4,86,17,527
	(3,36,29,37,581)	(4,86,17,527)
Received during the period	-	-
	-	-
Translation difference during the period	10,12,57,134	-
	(21,06,79,193)	-
Balance as at 31 March	3,67,48,73,908	4,86,17,527
	(3,57,36,16,774)	(4,86,17,527)
Transaction	In Rupees	In USD
Other current liabilities		
Alok Industries Limited		
Balance as at 31 March	2,83,83,690	3,75,508
	(2,76,01,608)	(3,75,508)
Grabal Alok (UK) Limited		
Balance as at 31 March	1,18,69,21,321	1,57,02,629
	(1,15,42,17,001)	(1,57,02,629)



Investment (including Equity shares, convertible loan notes & CCBs)		
Grabal Alok (UK) Limited		
Balance as at 1 April	13,04,04,98,207 (12,27,17,07,980)	17,74,10,400 (17,74,10,400)
Invested during the period	-	-
Translation difference during the period	36,94,97,784 (76,87,90,227)	-
Balance as at 31 March	13,40,99,95,991 (13,04,04,98,207)	17,74,10,400 (17,74,10,400)
Mileta A.S		
Balance as at 31 March	1,26,54,54,560 (1,23,05,86,343)	1,67,41,601 (1,67,41,601)
Loans Given		
Mileta, A.S		
Balance as at 1 April	42,50,42,341 (37,75,30,711)	57,82,520 (54,57,910)
Interest accrued during the period	1,23,00,270 (1,23,45,924)	1,65,056 (1,66,385)
Given during the period	-	-
Translation difference during the period	36,91,357 (3,51,65,706)	2,10,494 (1,58,225)
Converted/repaid/adjusted during the period	-	-
Balance as at 31 March	43,36,51,254 (42,50,42,341)	57,37,082 (57,82,520)
Grabal Alok (UK) Limited		
Balance as at 1 April	36,50,74,968 (34,35,52,319)	49,66,689 (49,66,689)
Given during the period	-	-
Repaid/Adjusted during the period	-	-
Translation difference during the period	1,03,44,267 (2,15,22,649)	-
Balance as at 31 March	37,54,19,235 (36,50,74,968)	49,66,689 (49,66,689)
Alok International Inc.		
Balance as at 1 April	42,60,33,241 (40,09,16,855)	57,96,000 (57,96,000)
Given during the period	-	-
Repaid/Adjusted during the period	-	-
Translation difference during the period	1,20,71,497 (2,51,16,386)	-
Balance as at 31 March	43,81,04,738 (42,60,33,241)	57,96,000 (57,96,000)
Alok International (Middle East) FZE		
Balance as at 1 April	18,50,96,228 (17,41,84,055)	25,18,155 (25,18,155)
Given during the period	-	-
Repaid/Adjusted during the period	-	-
Translation difference during the period	52,44,634 (1,09,12,173)	-
Balance as at 31 March	19,03,40,862 (18,50,96,228)	25,18,155 (25,18,155)
	-	-
Transaction	In Rupees	In USD
Interest Expenses		
Mileta a.s.		
Accrued during the period	1,23,00,270 (1,23,45,924)	1,65,056 (1,66,385)

* Figures of previous year are given in bracket.



15. a) During an earlier year, Grabal Alok UK Limited (Grabal Alok UK) , a fellow group company of the Company had issued unsecured floating rate compulsorily convertible bonds ("Bonds") for an aggregate amount of up to Rs 252 cores (U.S\$ 56.50 million)

b) The Company has exposure of USD 166,674,460 (Rs. 10,806,938,636) 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 exposure includes investments in equity shares of USD 143,831,418 (Rs 9,325,827,751), investment in convertible loans and bonds (net) of USD 33,578,982 (Rs 2,177,214,191) and loan given of USD 4,966,689 (Rs. 322,033,146) as on 31 March 2018.

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. 450 crores.

The management of this company has out of abundant precaution recognised a diminution in the financial statements. The Company has recognised "other than temporary" diminution in investments of USD 143,831,418 (Rs 9,325,827,751).

16. During an earlier year, the Company entered into a Silent Risk Participation Agreement (SRPA) with Axis Bank with respect to loan of USD 3.5 million taken by Grabal Alok (UK) Limited from Lehman Bros. In pursuance of such agreement, Axis bank took over Lehman's share of loan and transferred it to the Company. By virtue of this agreement, the Company paid USD 3.5 million plus interest thereon to Axis Bank in the earlier year and accounted for such amount as recoverable from Grabal Alok (UK) Limited.

However, on liquidation of Lehman Bros, the liquidator did not recognise such SRPA and the payment already made by Axis Bank to Lehman Bros of USD 3.5 million. As per the liquidation procedures, Grabal Alok (UK) Limited was required to pay USD 3.5 million to Lehman, though already paid by the Company on its behalf through Axis Bank. Since the payment to Lehman was made twice, Axis Bank is now in discussions with Liquidator of Lehman Bros for refund of USD 3.5 million paid by it. The Company has accounted such amount as recoverable from Lehman Brother through Axis Bank. Axis bank has confirmed to the Company that such matter has been taken up with Lehman and that it would refund the USD 3.5 million plus interest or the settled amount to the Company as and when it will receive it from the liquidator of Lehman Bros. However, out of abundant caution, the Company has made a provision of USD 3.5 million plus interest of USD 477,665 as doubtful of recovery in the previous year.

17. SEGMENT REPORTING

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

18. EARNINGS PER SHARE (EPS)

Particulars	YEAR ENDED 31st March,2022		YEAR ENDED 31st March,2021	
	Rupees	USD	Rupees	USD
Loss for the period	(33,86,079)	(45,438)	(5,90,27,140)	(8,04,615)
Weighted average number of equity shares	50,000	50,000	50,000	50,000
Nominal Value of equity share	N.A.	1.00	N.A.	1.00
Basic and Diluted Earnings per share (not annualised)	(67.72)	(0.91)	(1,180.54)	(16.09)

19. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, equity includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value. The Company's Capital Management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximize shareholders' value. The Company is monitoring capital using debt equity ratio as its base, which is debt to equity. The company's policy is to keep debt equity ratio below three and infuse capital if and when required through issue of new shares and/or better operational results and efficient working capital management.

In order to achieve the aforesaid objectives, the Company has not sanctioned any major capex on new expansion projects in last two to three years. However, modernization, upgradation and marginal expansions have been continued to remain competitive and improve product quality through efficient machinery. There is constant endeavour to reduce debt as much as feasible and practical by improving operational and working capital management.

Particulars	31st March,2022		31st March,2021	
	INR	USD	INR	USD
Debt (A)	4,91,61,53,656.00	23,01,10,649.00	4,78,06,94,415.00	23,01,10,649.00
Equity (B)	22,13,940.00	50,000.00	22,13,940.00	50,000.00
Debt / Equity Ratio (A / B)	2,220.55	4,602.21	2,159.36	4,602.21

20. FINANCIAL RISK MANAGEMENT FRAMEWORK

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. All derivative activities for risk management purposes are carried out by teams that have the appropriate skills, experience and supervision. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

B Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks – interest rate risk, currency risk and other price risk in a fluctuating market environment. Financial instrument affected by market risks includes loans and borrowings, deposits, FVTOCI Investments, derivatives and other financial assets.

i) Currency Risk

This is the risk that the Company may suffer losses as a result of adverse exchange rate movement during the relevant period. As a policy, Company is covering all foreign exchange risk on account of import and loans so that Company may not be put to any loss situation due to adverse fluctuations in currency rates. There is periodical review of foreign exchange transactions and hedging by the Company's executives.



Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Currency	Change in rate (upward)	Effect on profit before tax	Change in rate (downward)	Effect on profit before tax
31-Mar-22	Euro	0.05		-0.05	
	GBP	0.05		-0.05	
	USD	0.05		-0.05	
31-Mar-21	Euro	0.05		-0.05	
	GBP	0.05		-0.05	
	GBP	0.05		-0.05	
	USD	0.05		-0.05	

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

i) Interest rate risk

The Company manages interest rate risk by having a balanced portfolio of fixed and variable rate of interest on loans and borrowings. To manage this, Company has issued fixed rate bonds and loans taken from banks are linked to MCLR rate of the bank, which are variable.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Currency	Increase / decrease in basis points	Effect on profit before tax
31-Mar-2022	INR	50.00	
	INR	-50.00	
	USD	25.00	
	USD	-25.00	
	EUR	25.00	
	EUR	-25.00	
31-Mar-2021	INR	50.00	
	INR	-50.00	
	USD	25.00	
	USD	-25.00	
	EUR	25.00	
	EUR	-25.00	

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years

ii) Equity Price Risk

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments. Profit for the year ended 31 March 2017 and 31 March 2016 would have been unaffected as the equity investments are FVTOCI and no investments were disposed of or impaired.

i) Liquidity risk management

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows on daily, monthly and yearly basis. The Company ensures that there is a free credit limit available at the start of the year which is sufficient for repayments getting due in the ensuing year. Loan arrangements, credit limits with various banks including working capital and monitoring of operational and working capital issues are always kept in mind for better liquidity management.

ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

31st March, 2022	On Demand	Less Than 1 Year	1-2 Years	2-3 Years	3-4 Years
(a) Non Derivative financial instruments					
Long term borrowings		6,50,39,302			
		4,91,61,53,656			
Short term borrowings		16,50,71,347			
		12,47,73,18,761			
Trade payables					
Trade payables - other than micro and small ent.		2,751			
		2,07,941			
Other current liabilities		1,65,49,869			
		1,25,09,62,033			
	-	18,89,13,05,660	-	-	-



31st March, 2021	On Demand	Less Than 1 Year	1-2 Years	2-3 Years	3-4 Years
(a) Non Derivative financial instruments					
Long term borrowings		6,50,39,302			
Short term borrowings		4,78,06,94,415			
Trade payables		16,50,71,347			
Trade payables - other than micro and small ent.		12,13,35,19,878			
Other current liabilities		2,751			
		2,02,211			
		1,65,49,869			
		1,21,64,93,143			
	-	18,37,75,72,916	-	-	-

21. FAIR VALUE MEASUREMENT

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements.

Sr. No.	Particulars	Carrying value		Fair value	
		31st March,2022	31st March,2021	31st March,2022	31st March,2021
(a)	Financial Asset				
	Carried at amortised cost				
(i)	Loans to related parties	1,40,51,237	1,40,96,675	1,40,51,237	1,40,96,675
		1,06,20,96,854	1,03,61,71,810	1,06,20,96,854	1,03,61,71,810
(a)	Financial Liabilities				
	Carried at amortised cost				
(i)	Borrowings-Long & Short	23,01,10,649	23,01,10,649	23,01,10,649	23,01,10,649
(ii)	Trade payable	17,39,34,72,417	16,91,42,14,293	17,39,34,72,417	16,91,42,14,293
		2,751	2,751	2,751	2,751
		2,07,941	2,02,211	2,07,941	2,02,211
(iii)	Other payables	1,65,49,869	1,65,49,869	1,65,49,869	1,65,49,869
		1,25,09,62,033	1,21,64,93,143	1,25,09,62,033	1,21,64,93,143

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuations, including independent price validation for certain instruments. Further, in other instances, Company retains independent pricing vendors to assist in corroborating the valuations of certain instruments.

The fair value of the financial assets and liabilities are included at the amount at which the instrument that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- Fair value of security deposits have been estimated using a DCF model. The valuation requires management to make certain assumptions about interest rates, maturity period, credit risk, forecasted cash flows.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the company based on parameters such as interest rates, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables. As of reporting date the carrying amounts of such receivables, net of allowances are not materially different from their calculated fair values.
- Carrying value of loans from banks, other noncurrent borrowings and other financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The own non-performance risk as at reporting date was assessed to be insignificant.

Fair value hierarchy

The following table provides the fair value measurement hierarchy of Company's assets and liabilities grouped into Level 1 to Level 3 as described in significant accounting policies - Note 2. Further table describes the valuation techniques used, key inputs to valuations and quantitative information about significant unobservable inputs for fair value measurements.

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2022 :

Sr. No.	Particulars	Fair Value Measurement Using			Valuation technique	Inputs used
		Level 1	Level 2	Level 3		
	Assets and liabilities for which fair values are disclosed					
(a)	Financial assets measured at amortised cost					
(i)	Loans to related parties		1,40,51,237			
			1,06,20,96,854			
(b)	Financial liability measured at amortised cost					
(i)	Borrowings		23,01,10,649			
			17,39,34,72,417			
(ii)	Other payables		1,65,52,620			
			1,25,11,69,974			



Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2021:

Sr. No.	Particulars	Fair Value Measurement Using			Valuation technique used	Inputs used
		Level 1	Level 2	Level 3		
(a)	Assets and liabilities for which fair values are disclosed					
(i)	Financial assets measured at amortised cost					
	Loans to related parties		1,40,96,675			
			1,03,61,71,810			
(b)	Financial liability measured at amortised cost					
(i)	Borrowings		23,01,10,649			
			16,91,42,14,293			
(ii)	Other payables		1,65,52,620			
			1,21,66,95,354			

Rs. in Crores

During the year ended 31 March 2022, there were no transfers between level 1 and level 2 fair value measurements and no transfers into and out of level 3 fair value measurement

The management assessed that cash and cash equivalents, trade receivables, trade payables, cash credit and all other current financial assets and liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Receivables are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken
- The fair value of loans from banks and other financial liabilities, security deposit, as well as other financial liabilities is estimated by discounting future cash flows using rates currently
- The fair values of the unquoted equity instruments have been estimated using a net adjusted fair value method. The valuation requires management to make certain assumptions about the assets, liabilities, investments of Investee Company. The probabilities of the various assumptions can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments based on the best information available to the Company.
- The fair values of quoted equity instruments are derived from quoted market prices in active markets.
- The Company enters into foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs.
- The fair value of floating rate borrowings are determined by using DCF method using discount rate that reflects the issuer's borrowing rate at the end of the reporting period. The own non-performance risk as at 31 March 2022 was assessed to be insignificant

22. RATIOS

Particulars	Rupees		USD	
	YE Mar-22	YE Mar-21	YE Mar-22	YE Mar-21
Current Assets	1,06,20,96,854	1,03,61,71,810	1,40,51,237	1,40,96,675
Current Liabilities	6,42,48,654	6,24,78,352	8,49,991	8,49,991
Current Ratio	16.53	16.53	16.58	16.58

Particulars	Rupees		USD	
	YE Mar-22	YE Mar-21	YE Mar-22	YE Mar-21
Non Current Debt	4,91,61,53,656	4,78,06,94,415	6,50,39,302	6,50,39,302
Current Debt	12,47,73,18,761	12,13,35,19,878	16,50,71,347	16,50,71,347
Current Mat of LT Debt	2,63,61,23,287	2,56,34,87,791	3,48,75,155	3,48,75,155
Total Debt (incl current maturity of LTB)	20,02,95,95,704	19,47,77,02,084	26,49,85,804	26,49,85,804
Equity	22,13,940	22,13,940	50,000	50,000
Other Equity	-19,43,01,10,824	-18,89,14,56,484	-25,70,75,501	-25,70,30,063
Total Equity	-19,42,78,96,884	-18,88,92,42,544	-25,70,25,501	-25,69,80,063
Debt-Equity Ratio	-1.03	-1.03	-1.03	-1.03

Particulars	Rupees		USD	
	YE Mar-22	YE Mar-21	YE Mar-22	YE Mar-21
PBT	-33,86,079	-5,90,27,140	-45,438	-8,04,615
Depreciation	-	-	-	-
Finance Cost	-	-	-	-
PBIT + Depn	-33,86,079	-5,90,27,140	-45,438	-8,04,615
Debt Service Coverage Ratio	-	-	-	-

Particulars	Rupees		USD	
	YE Mar-22	YE Mar-21	YE Mar-22	YE Mar-21
Net Income	-33,86,079	-5,90,27,140	-45,438	-8,04,615
Shareholder's Equity	-19,42,78,96,884	-18,88,92,42,544	-25,70,25,501	-25,69,80,063
Return on Equity Ratio	0.00	0.00	0.00	0.00

Particulars	Rupees		USD	
	YE Mar-22	YE Mar-21	YE Mar-22	YE Mar-21
Total Purchases	-	-	-	-
Opening Payables	2,02,211	2,07,387	2,751	2,751
Closing Payables	2,07,941	2,02,211	2,751	2,751
Average Trade Payables	2,05,076	2,04,799	2,751	2,751
Trade Payables turnover ratio	-	-	-	-

Particulars	Rupees		USD	
	YE Mar-22	YE Mar-21	YE Mar-22	YE Mar-21
Net working capital turnover ratio	-	-	-	-



Total Annual Turnover	-	-	-	-
Working Capital (CA-CL)	99,78,48,200	1,32,01,246	97,36,93,458	1,32,46,684
Net Capital Turnover Ratio	-	-	-	-

(vii) Net profit ratio

Particulars	YE Mar-22	YE Mar-22	YE Mar-21	YE Mar-21
Profit After Tax (Before Exceptional Item)	-33,86,079	-45,438	-5,90,27,140	-8,04,615
Revenue from operations	-	-	-	-
Net profit margin	0%	0%	0%	0%

(viii) Return on Capital Employed

Particulars	YE Mar-22	YE Mar-22	YE Mar-21	YE Mar-21
PBT	-33,86,079	-45,438	-5,90,27,140	-8,04,615
Interest	-	-	-	-
EBIT	-33,86,079	-45,438	-5,90,27,140	-8,04,615
Capital Employed (Equity+Borrowing)	60,16,98,820	79,60,303	58,84,59,540	80,05,741
Return on Capital Employed	-0.01	-0.01	-0.10	-0.10

(ix) Return on Investment

Particulars	YE Mar-22	YE Mar-22	YE Mar-21	YE Mar-21
Net Profit	-	-	-	-
Capital Employed	60,16,98,820	79,60,303	58,84,59,540	80,05,741
Return on Investment	-	-	-	-

23. EXPENDITURE IN FOREIGN CURRENCY

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

24. In the present financial statements, the financial instruments which are getting eliminated in consolidated financial statements are not valued at fair value as per Indian Accounting Standards (IND AS).
25. Bank balances are subject to confirmation.
26. The information contained in the financial statements for the year ended 31 March 2022, disclosed in US dollar is extracted from the books of accounts locally maintained and converted into Indian Rupees as disclosed under basis of preparation stated above. The amounts in Balance Sheet, Statement of Profit and Loss and cash flow statement are rounded off to the nearest Rupee / USD. Previous period figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
27. Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure and are given in brackets.

Signatures to Notes 1 to 27

For Narendra Poddar & Co.
Chartered Accountants
FRN No. 106915W

Narendra Poddar



Narendra Poddar, Proprietor
Membership No. 041256

Mumbai, 5th April 2022

For and on behalf of the Board

Dillip B. Jiwrajka

Dillip B. Jiwrajka
Director
DIN-00173476

Surendra B. Jiwrajka

Surendra B. Jiwrajka
Director
DIN-00173525