

Narendra Poddar & Co.

CHARTERED ACCOUNTANTS

Narendra Poddar

B.Com., F.C.A.

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Date

INDEPENDENT AUDITOR'S REPORT

To the Members of ALOK WORLDWIDE LIMITED

Report on the Financial Statements

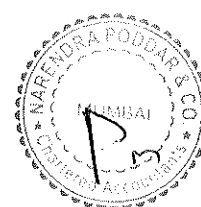
1. We have audited the accompanying financial statements of **ALOK WORLDWIDE LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2015**, the Statement of Profit and Loss and Cash Flow Statement for the period from July 15, 2013 to March 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to 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, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and 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 financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.



Narendra Poddar

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

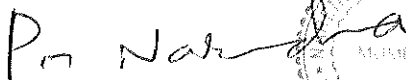
6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2015, and its profit and its cash flows for the period from July 15, 2013 to March 31, 2015.

Report on Other Legal and Regulatory Requirements

7. As required by section 143(3) of the Act, we further report that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- e) on the basis of written representations received from the directors as on **March 31, 2015**, and taken on record by the Board of Directors, none of the directors is disqualified as on **March 31, 2015**, from being appointed as a director in terms of Section 164(2) of the Act.
- f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014: :
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There has not been an occasion in case of the Company during the period under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

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


Narendra Poddar, Proprietor
Membership No. 41256



Mumbai, May 28, 2015

ALOK WORLDWIDE LIMITED

BALANCE SHEET AS AT 31 MARCH 2015

PARTICULARS	NOTES	AS AT 31-Mar-15 Rupees	AS AT 31-Mar-15 USD
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
Share capital	3	6,252	100
Reserves and surplus	4	9,563,667	152,797
		9,569,919	152,897
(2) Non-current liabilities			
Long-term borrowings	5	7,823,850,000	125,000,000
(3) Current liabilities			
Short-term borrowings	6	63,673,621	1,017,300
Trade payables	7	674,160	10,771
Other current liabilities	8	79,127,028	1,264,196
TOTAL		7,976,894,728	127,445,164
II ASSETS			
(1) Non-current assets			
Non-current investments	9	4,569,128,400	73,000,000
Long-term loans and advances	10	3,032,447,646	48,448,776
(2) Current assets			
Cash and bank balance	11	42,489,952	678,853
Short-term loans and advances	12	332,828,730	5,317,535
TOTAL		7,976,894,728	127,445,164

III notes forming part of the financial statements 1 to 23

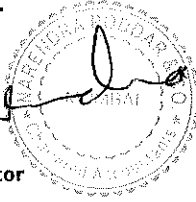
As per our report of even date

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

P. M. Poddar

Narendra Poddar, Proprietor
Membership No. 41256

Mumbai, 28th May, 2015



For and on behalf of the Board





Ashok B. Jiwrajka
Director

Ashok B. Jiwrajka
Dilip B. Jiwrajka
Director

Surendra B. Jiwrajka
Surendra B. Jiwrajka
Director

ALOK WORLDWIDE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 15 JULY 2013 TO 31 MARCH 2015

PARTICULARS	NOTES	From 15-Jul-13 to 31-Mar-15	
		Rupees	USD
I. REVENUE			
Income from operations	13	189,423,577	3,079,368
Other income	14	390,525	6,349
Total (I)		189,814,102	3,085,717
II. EXPENSES			
Finance costs	15	176,898,524	2,875,754
Other expenses	16	3,516,483	57,166
Total (II)		180,415,007	2,932,920
III. Net profit for the period		9,399,095	152,797
IV. EARNINGS PER SHARE			
Basic and Diluted (Not annualised)	19	93,990.95	1,527.97
V. notes forming part of the financial statements	1 to 23		
As per our report of even date		For and on behalf of the Board	
For Narendra Poddar & Co. Chartered Accountants FRN No. 106915W  Narendra Poddar, Proprietor Membership No. 41256  Mumbai, 28th May, 2015		Ashok B. Jiwrajka Director  Dilip B. Jiwrajka Director  Surendra B. Jiwrajka Director	

ALOK WORLDWIDE LIMITED

CASH FLOW STATEMENT FOR THE PERIOD FROM 15 JULY 2013 TO 31 MARCH 2015

PARTICULARS	From 15-Jul-13 to 31-Mar-15	
	Rupees	USD
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	9,399,095	152,797
Adjustments for :		
Finance Cost	120,142,564	1,953,100
Operating profit before working capital changes	129,541,659	2,105,897
Adjustments for :		
Increase in current liabilities & provisions	67,578,887	1,076,463
Increase in trade payables	674,160	10,771
Increase in Loans and advances	(3,365,276,376)	(53,766,311)
Net cash used in operating activities (A)	(3,167,481,670)	(50,573,180)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	(4,569,128,400)	(73,000,000)
Net cash used in investing activities (B)	(4,569,128,400)	(73,000,000)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital	6,252	100
Proceeds from long-term borrowings	7,823,850,000	125,000,000
Proceeds from short-term borrowings	63,673,621	1,017,300
Finance costs	(108,594,423)	(1,765,367)
Net cash generated from financing activities (C)	7,778,935,450	124,252,033
Net Increase in Cash and Cash equivalents (A+B+C)	42,325,380	678,853
Cash and Cash equivalents at the beginning of the period	-	-
Effect of exchange rate change on cash and cash equivalent	164,572	
Cash and Cash equivalents at the end of the period	42,489,952	678,853

NOTES TO CASH FLOW STATEMENT

1 Cash and Cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

Particulars	From 15-Jul-13 to 31-Mar-15	
	Rupees	USD
Cash and Cash equivalents as per Balance sheet	42,489,952	678,853
Cash and Cash equivalents as restated at the end of period	42,489,952	678,853

2 The Cash Flow Statement has been prepared in accordance with the requirements of Accounting Standard (AS) 3 "Cash Flow Statements".

As per our report of even date

For and on behalf of the Board

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

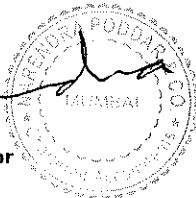
Ashok B. Jiwrajka
Director

Narendra Poddar, Proprietor
Membership No. 41256

Dilip B. Jiwrajka
Director

Surendra B. Jiwrajka
Director

Mumbai, 28th May, 2015



(Handwritten signatures of Ashok B. Jiwrajka, Dilip B. Jiwrajka, and Surendra B. Jiwrajka)

ALOK WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 15 JULY 2013 TO 31 MARCH 2015

1. BACKGROUND

Alok Worldwide Limited Incorporated on 15th July, 2013 under the laws of British Virgin Island, is a wholly owned subsidiary of Alok Industries Limited, a Company incorporated in India.

2. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of Preparation of Financial Statements

a) The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. These Financial Statements are prepared solely for the purpose of consolidation by Alok Industries Limited, the holding company.

b) 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 'Foreign Currency Translation Reserve'.

(ii) 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 year. Differences between, the actual results and estimates are recognised in the year in which the results are known / materialise.

(iii) 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.

(iv) 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.

(v) 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:

- a) 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.
- b) In other cases, such differences are accumulated in the "Foreign Currency Monetary Item 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 the statement of profit and loss.

(vi) 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.

(vii) Cash Flow Statement

The Cash Flow Statement is prepared using the "Indirect method" set out in Accounting Standard (AS-3) "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Company. Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and unencumbered, highly liquid bank balances.



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ALOK WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 15 JULY 2013 TO 31 MARCH 2015

PARTICULARS	AS AT	AS AT
	31-Mar-15 Rupees	31-Mar-15 USD
3. SHARE CAPITAL		
Authorised Shares		
50,000 Equity Share of USD 1 each	3,002,550	50,000
TOTAL	<u><u>3,002,550</u></u>	<u><u>50,000</u></u>
Issued, Subscribed and Paid Up		
100 Equity Share of USD 1 each	6,252	100
TOTAL	<u><u>6,252</u></u>	<u><u>100</u></u>

Notes :

a) The company has been incorporated as a wholly owned subsidiary of Alok Industries Limited and there has been no change in the share capital since incorporation.

b) Reconciliation of equity shares outstanding at the beginning and at the end of reporting period

Number of Equity Shares	
Particulars	AS AT 31-Mar-15
Opening balance	-
Issued during the period	100
Closing balance	100

Amount of Equity Shares		
Particulars	AS AT 31-Mar-15 Rupees	AS AT 31-Mar-15 USD
Opening balance	-	-
Issued during the period	6,252	100
Closing balance	6,252	100

c) **Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of USD 1 per share. Each holder of equity share is entitled to one vote per share. 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.

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 amounts. The distribution will be in proportion to the number of equity shares held by the share holder.

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

Name of the shareholder	31-Mar-15	
	No of shares	%
Alok Industries Limited	100	100

4. RESERVES AND SURPLUS

a) Foreign currency translation reserve	164,572	
b) Surplus in the Statement of Profit and Loss Profit for the period	9,399,095	152,797
TOTAL	<u><u>9,563,667</u></u>	<u><u>152,797</u></u>

5. LONG-TERM BORROWINGS

Term loan from banks	7,823,850,000	125,000,000
TOTAL	<u><u>7,823,850,000</u></u>	<u><u>125,000,000</u></u>

Note:

Term Loan of USD 75 million from Axis Bank is secured by standby Letter of Credit Issued by Axis Bank Issued to holding company Alok Industries Limited. Such loan is repayable at the end of 36 months. Rate of Interest on such loan is Libor plus 437 bps.

Term Loan of USD 50 million from Deutsche Bank is secured by (i) standby Letter of Credit issued by Exim Bank Issued to holding company Alok Industries Limited and Debt Service Reserve account. Such loan is repayable between 36 to 60 months. Rate of Interest on such loan is Libor plus 3.25% to 4.25%.

6. SHORT-TERM BORROWINGS (unsecured)

Loans and advances from related parties (Refer note no. 17)	63,673,621	1,017,300
TOTAL	<u><u>63,673,621</u></u>	<u><u>1,017,300</u></u>



ALOK WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 15 JULY 2013 TO 31 MARCH 2015

PARTICULARS	AS AT	AS AT
	31-Mar-15 Rupees	31-Mar-15 USD
7. TRADE PAYABLES		
Creditors for services	674,160	10,771
TOTAL	674,160	10,771
8. OTHER CURRENT LIABILITIES		
Other Payables -		
Advance from related party (refer note no. 17)	2,902,961	46,380
Interest Accrued but not Due on borrowings	76,224,067	1,217,816
TOTAL	79,127,028	1,264,196
9. NON-CURRENT INVESTMENTS (Trade) (Unquoted)		
Compulsorily convertible debentures of Grabal Alok International Ltd.(Refer note no. 17)	3,129,540,000	50,000,000
Compulsorily convertible debentures of Alok Industries International Ltd.(Refer note no. 17)	1,439,588,400	23,000,000
TOTAL	4,569,128,400	73,000,000
10. LONG-TERM LOANS AND ADVANCES (unsecured, considered good)		
Loans and advances to related parties	2,936,630,262	46,917,922
Prepaid expenses	95,817,384	1,530,854
TOTAL	3,032,447,646	48,448,776
11. CASH AND BANK BALANCES		
Balance with bank		
In current account	42,489,952	678,853
TOTAL	42,489,952	678,853
12. SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good)		
Loans and advances to related parties	273,141,336	4,363,922
Others		
Prepaid expenses	59,687,394	953,613
TOTAL	332,828,730	5,317,535
PARTICULARS	From 15-Jul-13 to 31-Mar-15	
	Rupees	USD
13. INCOME FROM OPERATIONS		
Service charges (Refer note no. 17 and 20)	189,423,577	3,079,368
TOTAL	189,423,577	3,079,368
14. OTHER INCOME		
Interest income		
- Bank fixed deposit	377,118	6,131
- From other	1,807	29
Exchange rate difference gain (net)	11,600	189
TOTAL	390,525	6,349
15. FINANCE COST		
Interest expenses	120,142,564	1,953,100
Other borrowing costs	56,755,960	922,654
TOTAL	176,898,524	2,875,754
16. OTHER EXPENSES		
Auditors remuneration (Including service tax)	674,160	10,959
Legal and professional fees	2,415,680	39,271
Bank charges	426,643	6,936
TOTAL	3,516,483	57,166



ALOK WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 15 JULY 2013 TO 31 MARCH 2015


17. 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	Holding Company
	Alok Industries International Limited	Fellow Subsidiary
	Grabal Alok International Limited	Fellow Subsidiary
	Grabal Alok (UK) Limited	Fellow Subsidiary
	Trlumphant Victory Holdings Pvt. Limited	Entity under common control

II Transactions with Related parties

Particulars of transaction / balance	Particulars of transaction / balance	
	In Rupees	In USD
Equity share capital		
<u>Alok Industries Limited</u>		
Received during the period	6,252	100
Balance as at March 31	6,252	100
Other current liabilities		
<u>Alok Industries Limited</u>		
Opening Balance	-	-
Received during the period	2,853,009	46,380
Translation difference during the period	49,952	-
Balance as at March 31	2,902,961	46,380
<u>Triumphant Victory Holdings Pvt. Ltd.</u>		
Opening Balance	-	-
Received during the period	62,577,976	1,017,300
Translation difference during the period	1,095,645	-
Balance as at March 31	63,673,621	1,017,300
Investments		
<u>Alok Industries International Ltd.</u>		
Opening Balance	-	-
Made during the period	1,414,817,110	23,000,000
Translation difference during the period	24,771,290	-
Balance as at March 31	1,439,588,400	23,000,000
<u>Grabal Alok International Ltd.</u>		
Opening Balance	-	-
Made during the period	3,075,689,370	50,000,000
Translation difference during the period	53,850,630	-
Balance as at March 31	3,129,540,000	50,000,000
Loans and advances (Long-term and short-term)		
<u>Alok Industries International Ltd.</u>		
Opening Balance	-	-
Received during the period	1,469,706,170	23,892,305
Translation difference during the period	25,732,303	-
Balance as at March 31	1,495,438,473	23,892,305
<u>Grabal Alok International Ltd.</u>		
Opening Balance	-	-
Received during the period	1,684,834,279	27,389,539
Translation difference during the period	29,498,846	-
Balance as at March 31	1,714,333,125	27,389,539
Interest expenses recovered		
Alok Industries International Ltd.	66,920,924	1,087,901
Grabal Alok International Ltd.	145,480,271	2,365,003
Marketing service charges		
Alok Industries International Ltd.	89,727,868	1,458,663
Grabal Alok International Ltd.	99,695,709	1,620,705



P. N. Nandha

ALOK WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 15 JULY 2013 TO 31 MARCH 2015

18. 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.

19. EARNINGS PER SHARE

Particulars	As At 31-Mar-15	
	Amount (INR)	Amount (USD)
Net profit for the period	9,399,095	152,797
Weighted average number of equity shares	100	100
Nominal Value of equity share	N.A.	1
Basic and Diluted Earning per share	93,990.95	1,527.97

20. Service charges represents income received/accrued towards reimbursement of expenses incurred for investee company with a markup of 5%

21. EXPENDITURE IN FOREIGN CURRENCY

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

22. The company was incorporated on 15 July, 2013. The information contained in these first financial statements is for the period from 15 July 2013 to 31 March 2015 disclosed in USD, which is extracted from the books of accounts locally maintained and converted into Indian rupees as disclosed under 'basis of preparation stated above. Such disclosures in Indian Rupee are only for additional information.

23. The amount in the balance sheet, statement of profit and loss are rounded off to nearest Rupee / USD.

Signature to Notes 1 to 23

As per our report of even date

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

Narendra Poddar, Proprietor
Membership No. 41256

Mumbai, 28th May, 2015

For and on behalf of the Board

Ashok B. Jiwrajka
Director

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