ALOK GLOBAL TRADING (MIDDLE EAST) FZE

BALANCE SHEET AS AT 31 MARCH 2017

PARTICULARS	NOTES	AS AT 31-Mar-17 Rupees	AS AT 31-Mar-17 AED	AS AT 31-Mar-16 Rupees	AS AT 31-Mar-16 AED	AS AT 31-Mar-15 Rupees	AS AT 31-Mar-15 AED
I ASSETS							
1) Current Assets							
a) Financial Assets							
i) Cash and cash equivalents	3	739,652	41,924	1,116,328	61,958	1,287,855	77,816
b) Other Current Assets	4	347,614	19,703	864,173,425	47,963,004	-	-
TOTAL		**1,087,266**	**61,627**	**865,289,753**	**48,024,962**	**1,287,855**	**77,816**
II EQUITY							
1) Equity							
a) Equity Share capital	5	16,550	1,000	16,550	1,000	16,550	1,000
b) Other equity	6	(1,362,619,813)	(77,234,314)	(527,806,980)	(29,294,211)	(1,732,520)	(104,684)
		(1,362,603,263)	(77,233,314)	(527,790,430)	(29,293,211)	(1,715,970)	(103,684)
2) Current Liabilities							
a) Financial liabilities							
i) Borrowings	7	1,363,628,779	77,291,441	1,393,026,130	77,315,173	3,003,825	181,500
ii) Trade Payables	8	44,107	2,500	54,053	3,000	-	-
b) Other current liabilities	9	17,643	1,000	-	-	-	-
TOTAL		**1,087,266**	**61,627**	**865,289,753**	**48,024,962**	**1,287,855**	**77,816**
III Significant notes forming part of the financial statements	1 to 20	-	-	-	-	-	-

As per our report of even date

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

For and on behalf of the Board

Narendra Poddar, Proprietor
Membership No. 41256

Mumbai, 9th May,2017

Director

Director

ALOK GLOBAL TRADING (MIDDLE EAST) FZE

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

	PARTICULARS	NOTES	Period ended 31-Mar-17		Period ended 31-Mar-16	
			Rupees	AED	Rupees	AED
I.	**INCOME**					
	Revenue From Operations	10	1,549,100	84,847	1,349,457	75,771
	Total (I)		**1,549,100**	**84,847**	**1,349,457**	**75,771**
II.	**EXPENSES**					
	Finance cost	11	875,330,134	47,943,410	519,910,496	29,192,590
	Other expenses	12	1,488,721	81,540	1,294,904	72,708
	Total (II)		**876,818,855**	**48,024,950**	**521,205,400**	**29,265,298**
III.	**Net loss for the period before translation difference (I - II)**					
IV.	**Net loss for the period**		**(875,269,755)**	**(47,940,103)**	**(519,855,943)**	**(29,189,527)**
V.	**Other Comprehensive Income**					
A	(i) Items that will not be reclassified to profit or loss		-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-	-
B	(i) Items that will be reclassified to profit or loss					
	- Net exchange Profit/Loss on translation		40,456,922	-	(6,218,517)	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-	-
V.	**TOTAL COMPREHENSIVE INCOME FOR THE PERIOD**		**(834,812,833)**	**(47,940,103)**	**(526,074,460)**	**(29,189,527)**
VI.	**EARNINGS PER SHARE FROM CONTINUING OPERATIONS**					
	Basic	14	(875,269,755)	(47,940,103)	(519,855,943)	(29,189,527)
	Diluted	14	(875,269,755)	(47,940,103)	(519,855,943)	(29,189,527)
VII.	Significant notes forming part of the financial statements	1 to 20				

As per our report of even date

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

MUMBAI

Narendra Poddar, Proprietor
Membership No. 41256

Mumbai, 9th May,2017

For and on behalf of the Board

Director

Director

ALOK GLOBAL TRADING (MIDDLE EAST) FZE

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

PARTICULARS	From 1-Apr-16 to 31-Mar-17		From 1-Apr-15 to 31-Mar-16	
	Rupees	AED	Rupees	AED
A) CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax	(834,812,833)	(47,940,103)	(526,074,460)	(29,189,527
Adjustments for :				
Unrealised exchange loss	(40,456,922)	-	6,218,517	-
Depreciation			-	-
Operating Profit before working capital changes	(875,269,755)	(47,940,103)	(519,855,943)	(29,189,527
Adjustments for :				
Increase in current liabilities & provisions	(29,389,654)	(23,232)	1,390,076,358	77,136,673
Increase in trade receivables				
(Increase) in loans and advances	863,825,811	47,943,301	(864,173,425)	(47,963,004
Net cash used in operating activities (A)	**(40,833,598)**	**(20,034)**	**6,046,990**	**(15,858**
B) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of equity share capital	-	-	-	-
Net cash generated from Financing activities (B)	**-**	**-**	**-**	**-**
Net Increase in Cash and Cash equivalents (A+B)	**(40,833,598)**	**(20,034)**	**6,046,990**	**(15,858**
Cash and Cash equivalents at the beginning of the period	1,116,328	61,958	1,287,855	77,816
Effect of exchange rate change on cash and cash equivalent	40,456,922	-	(6,218,517)	-
Cash and Cash equivalents at the end of the period	**739,652**	**41,924**	**1,116,328**	**61,958**

NOTES TO CASH FLOW STATEMENT

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

Particulars	AS AT 31 MARCH 2017		AS AT 31 MARCH 2016	
	Rupees	AED	Rupees	AED
Cash and Cash equivalents as per Balance sheet	739,652	41,924	1,116,328	61,958
Cash and Cash equivalents as restated at the end of the year	**739,652**	**41,924**	**1,116,328**	**61,958**

2 The Cash Flow Statement has been prepared in accordance with the requirements of Indian Accounting Standard (IND AS) 7 "Statement of Cash Flows".

As per our report of even date

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

NARENDRA PODDAR & CO. MUMBAI Chartered Accountants

Narendra Poddar, Proprietor
Membership No. 41256

Mumbai, 9th May,2017

For and on behalf of the Board

Director

Director

CORPORATE INFORMATION

Alok Global Trading (Middle East) FZE was incorporated on 7th July 2014 as a Free Zone Establishment with limited liability pursuant to Law No. 2 of 1996 of H.H. Sheikh Maktoum Bin Rashid Al Maktoum, Ruler of Dubai and implementing regulations issued thereunder by the Dubai Airport Free Zone Authority and is a wholly owned subsidiary of Alok Global Trading (Middle East) FZE, a Company incorporated in India. The company is engaged in the business of providing marketing services and trading in home textile products, apparels fabrics, garments and polyester yarns. These financial statements of the company are prepared solely for the purpose of consolidation by the holding company, Alok Global Trading (Middle East) FZE.

The financial statements were authorised for issue in accordance with a resolution of the board of directors on 09th May,2017

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). These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind AS.

These are the company's first financial statements prepared in accordance with Ind AS and Ind AS 101 - First-time Adoption of Indian Accounting Standards' (Ind AS 101) has been applied. The transition has been carried out from Indian GAAP (IGAAP). An explanation of how the transition to Ind AS has affected the reported balance sheet, profit or loss and cash flows of the company is provided in note 1 (m).

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 United Arab Emirate Dirham (AED) being currency of United Arab Emirates (UAE). Considering the operations of the company as integral to the holding company, the financial statements have been translated into Indian Rupees on the following basis-

- All income and expenses are translated at the average rate of exchange prevailing during the period.
- Monetary assets and liabilities are translated at the closing rate on the balance sheet date.
- Non-monetary assets and liabilities and share capital is translated at historical rates.
- The resulting exchange difference is accounted in Exchange difference on translation account and charged / credited to Statement of Profit and Loss.
- The aforesaid items as translated are considered for the purpose of cash flow statement.

iv) Recent Pronouncements:

Standards issued but not yet effective:
In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows' and Ind AS 102, 'Share-based Payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows' and IFRS 2, 'Share-based Payment,' respectively. The amendments are applicable to the Company for accounting periods beginning on or after April 01, 2017.

Amendment to Ind AS 7:
The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of Financial Statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the Financial Statements is being evaluated.

Amendment to Ind AS 102:
Company does not have any impact on the Financial Statements on account of this pronouncement.

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

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.

NARENDRA PODDAR

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.

Rental Income

The Company's policy for recognition of revenue from operating leases is described in Note 1 (e) below.

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) Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee:
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

Company as a lessor:
Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

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) 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.

g) Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

h) 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.

i) 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.

j) 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.

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.

k) 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.

l) 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.

m) First-time adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For period 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 (IGAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its IGAAP financial statements, including the Balance Sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

Exemptions applied:

i. **Business Combination exemption**
The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations prior to April 1, 2015 (the Transition date"), pursuant to which goodwill/capital reserve arising from a business combination has been stated at the carrying amount prior to the date of transition under IGAAP. The Company has also applied the exemption for past combinations to acquisitions of investments in subsidiaries/associates/joint ventures consummated prior to the Transition Date.

ii. **Share-based payment transactions**
Ind AS 101 encourages, but does not require, first time adopters to apply Ind AS 102 Share based Payment to equity instruments that were vested before the date of transition to Ind AS. The Company has opted not to restate options vested before April 1, 2015.

iii. **Fair Value as deemed cost exemption**
The Company has elected to fair value property, plant and equipment recognised as at April 01, 2015 and considered the same as the deemed cost as per Ind AS.

iv. **Long Term Foreign Currency Monetary Items**
The Company continues the policy of capitalising exchange differences arising on translation of long term finance currency monetary items.

v. **Investments in subsidiaries, joint ventures and associates**
The Company has elected to measure investment in subsidiaries, joint venture and associate at cost.

Exceptions applied:

i. **De-recognition of financial assets and liabilities exception**
Financial assets and liabilities derecognised before 1 April 2015 are not re-recognised under Ind AS. The Company has not chosen to apply the Ind AS 109 Financial Instruments de-recognition criteria to an earlier date. No significant were identified that has to be assessed under this exception.

ii. **Impairment of financial asset**
The Company has applied the impairment requirements of Ind AS retrospectively based on the facts and circumstances existing on transition date.

ALOK GLOBAL TRADING (MIDDLE EAST)FZE

NOTE:2

Statement of Changes in Equity for the year ended 31 March 2017

A) EQUITY SHARE CAPITAL	**As At 31 March 2017**		**As At 31 March 2016**		**As At 01 April 2015**	
	INR	**AED**	**INR**	**AED**	**INR**	**AED**
Balance at the beginning of the reporting year	16,550.00	1,000.00	16,550.00	1,000.00	16,550.00	1,000.00
Changes in Equity Share Capital during the year	-	-	-	-	-	-
Balance at the end of the reporting year	**16,550.00**	**1,000.00**	**16,550.00**	**1,000.00**	**16,550.00**	**1,000.00**

B) OTHER EQUITY	Retained earnings		Total Equity attributable to equity holders of the Company	
	INR	**AED**	**INR**	**AED**
Balance as at 1st April, 2015 (A)	(1,732,520.00)	(104,684.00)	(1,732,520.00)	(104,684.00)
Addition/Reduction during the Year	(526,074,460.00)	(29,189,527.00)	(526,074,460.00)	(29,189,527.00)
Balance as at 31st March, 2016 (B)	(527,806,980.00)	(29,294,211.00)	(527,806,980.00)	(29,294,211.00)
Addition/Reduction during the Year	(834,812,833.00)	(47,940,103.00)	(834,812,833.00)	(47,940,103.00)
Balance as of March 31, 2017 (C)	(1,362,619,813.00)	(77,234,314.00)	(1,362,619,813.00)	(77,234,314.00)

NARENDRA PODDAR & CO.

ALOK GLOBAL TRADING (MIDDLE EAST) FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

PARTICULARS	AS AT 31-Mar-17 Rupees	AS AT 31-Mar-17 AED	AS AT 31-Mar-16 Rupees	AS AT 31-Mar-16 AED	AS AT 31-Mar-15 Rupees	AS AT 31-Mar-15 AED
3. CASH AND CASH EQUIVALENTS						
Cash and Cash Equivalents						
Balances with Bank						
In Current accounts	739,652	41,924	1,116,328	61,958	1287855	77816
	739,652	41,924	1,116,328	61,958	1,287,855	77,816
4. OTHER CURRENT ASSETS						
Prepaid expenses	347,614	19,703	864,173,425	47,963,004	-	-
	347,614	19,703	864,173,425	47,963,004	-	-
5. EQUITY SHARE CAPITAL						
Authorised Shares						
1 Equity Share of AED 1,000 each	16,550	1,000	16,550	1,000	16550	1000
	16,550	1,000	16,550	1,000	16,550	1,000
Issued, Subscribed and fully Paid Up						
1 Equity Share of AED 1,000 each	16,550	1,000	16,550	1,000	16550	1000
	16,550	1,000	16,550	1,000	16,550	1,000

Additional information :

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) **Terms/rights attached to equity shares**
The company has only one class of equity shares having a par value of AED 1,000 per share. Each holder of equity share is entitled to one vote per share. The shareholders are entitled for dividend in AED 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.

PARTICULARS	AS AT 31-Mar-17 Rupees	AS AT 31-Mar-17 AED	AS AT 31-Mar-16 Rupees	AS AT 31-Mar-16 AED	AS AT 31-Mar-15 Rupees	AS AT 31-Mar-15 AED
6. OTHER EQUITY						
Surplus in the Statement of Profit and Loss						
Opening Balance of Loss	(527,806,980)	(29,294,211)	(1,732,520)	(104,684)	-	-
Loss for the period	(834,812,833)	(47,940,103)	(526,074,460)	(29,189,527)	(1,732,520)	(104,684)
	(1,362,619,813)	(77,234,314)	(527,806,980)	(29,294,211)	(1,732,520)	(104,684)
7. BORROWINGS						
Advance received from Holding Company	-	-	-	-	3003825.00	181500.00
Loan from related parties	1,363,628,779	77,291,441	1,393,026,130	77,315,173	-	-
	1,363,628,779	77,291,441	1,393,026,130	77,315,173	3,003,825	181,500
8. TRADE PAYABLES						
Outstanding Expenses	44.107	2,500	54.053	3,000	-	-
	44,107	2,500	54,053	3,000	-	-
9. OTHER CURRENT LIABILITIES						
Others	17,643	1,000	-	-	-	-
Advance received from Holding Company						
	17,643	1,000	-	-	-	-

PARTICULARS	For the year ended 31-Mar-17 Rupees	For the year ended 31-Mar-17 AED	For the period ended 31-Mar-16 Rupees	For the period ended 31-Mar-16 AED
10. REVENUE FROM OPERATIONS				
Sale of Services				
Service Charges from Holding Company	1.549.100	84.847	1.349.457	75.771
	1,549,100	84,847	1349457.00	75771.00
11. FINANCE COST				
Interest expense	-	-	-	-
Other borrowing cost	875,330,134	47,943,410	519,910,496	29,192,590
	875,330,134	47,943,410	519,910,496	29,192,590
12. OTHER EXPENSES				
Rent	1,103,542	60,443	799,369	44,884
Conveyance expenses	-	-	-	-
Legal & profession charges				
Courier charges	-	-	5,485	308
Insurance charges	23,005	1,260	17,044	957
Commission				
Fees rates & taxes	292,486	16,020	359,577	20,190
Exchange rate difference loss (net)				
Repairs & maintenance				
Auditors Remuneration (including service tax)	36,515	2,000	53,429	3,000
Miscellaneous Expenses (Includes Bank charges, Travelling expenses, Membership & subscription, Vehicle Expense etc.)	33.173	1.817	60,000	3,369
	1,488,721	81,540	1,294,904	72,708

13. 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
Alok Industries International Limited

II Transactions with Related parties

Particulars of transaction / balance	With Holding Company As At 31.03.2017		With Holding Company As At 31.03.2016		With Holding Company As At 31.03.2015	
	In Rupees	In Rupees	In Rupees	In AED	In Rupees	In AED
Equity Share Capital						
Alok Industries Limited						
Balance as at 1-April	16,550	1,000	16,550	1,000	-	-
	(16,550)	(1,000)	(-)	(-)	(-)	(-)
Received during the year	-	-	-	-	16,550	1,000
	-	-	(16,550)	(1,000)	(-)	(-)
Balance as at 31-March	16,550	1,000	16,550	1,000	16,550	1,000
	(16,550)	(1,000)	(16,550)	(1,000)	(-)	(-)
Short Term Loans & Advances						
Alok Industries Limited						
Balance as at 1-April	612,122,455	33,973,773	3,003,825	181,500	-	-
	(3,003,825)	(181,500)	(-)	(-)	(-)	(-)
Received during the year	(418,696)	(23,732)	609,118,630	33,792,273	3,003,825	181,500
	(609,118,630)	(33,792,273)	(3,003,825)	(181,500)	(-)	(-)
Exchange Rate Difference (FCTR)	(12,733,778)	-				
	-	-				
Balance as at 31-March	598,969,981	33,950,041	612,122,455	33,973,773	3,003,825	181,500
	(612,122,455)	(33,973,773)	(3,003,825)	(181,500)	(-)	(-)
Short Term borrowings						
Alok Industries International Limited						
Balance as at 1-April	780,903,675	43,341,400	-	-	-	-
	-	-	(-)	(-)	(-)	(-)
Received during the year	-	-				
	(780,903,675)	(43,341,400)	780,903,675	43,341,400	-	-
			(-)	(-)	(-)	(-)
Exchange Rate Difference (FCTR)	(16,244,877)	-				
	-					
Balance as at 31-March	764,658,798	43,341,400	780,903,675	43,341,400	-	-
	(780,903,675)	(43,341,400)	(-)	(-)	(-)	(-)

Note: Previous period figures are given in brackets.

14. EARNINGS PER SHARE

	Year ended 31 March 2017		Year ended 31 March 2016		Year ended 31 March 2015	
Particulars	Amount (INR)	Amount (AED)	Amount (INR)	Amount (AED)	Amount (INR)	Amount (AED)
Net loss for the period	(875,269,755)	(47,940,103)	(526,074,460)	(29,189,527)	-	-
Weighted average number of equity share	1	1	1	1	1	1
Nominal Value of equity share	N.A.	1,000	N.A.	1,000	N.A.	1,000
Basic and Diluted Earning per share	(875,269,755)	(47,940,103)	(526,074,460)	(29,189,527)	-	-

15. 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	31-Mar-17		31-Mar-16		1-Apr-15	
	INR	AED	INR	AED	INR	AED
Debt (A)	1,363,628,779	77,291,441	1,393,026,130	77,315,173	3,003,825	181,500
Equity (B)	(1,362,603,263)	(77,233,314)	(527,790,430)	(29,293,211)	(1,715,970)	(103,684)
Debt / Equity Ratio (A / B)	(1.00)	(1.00)	(2.64)	(2.64)	(1.75)	(1.75)

16. 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.

A Credit Risk:

Credit risk is the risk that counter party will not meet it obligation under a financial instrument or customer contract leading to a financial loss. The Company expose to credit risk mainly from trade receivables and other financial assets.

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 Company's exposure to foreign currency changes for all other currencies is not material.

ii) Interest rate risk

The loan received by the company are the interest free loans. Hence the company is not exposed to the interest rate risk.

iii) Equity Price Risk

The Compnay does not have any equity investments.

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.

31 March 2017	Currency	On Demand	Less Than 1 Year	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years	Total
(a) Non Derivative financial instruments								
Long term borrowings	AED	77,291,441						77,291,441
	INR	1,363,628,779						1,363,628,779
Trade payables								
Trade payables - other than micro and small ent.	AED	2,500						2,500
	INR	44,107						44,107
Other current liabilities	AED	1,000						1,000
	INR	17,643						17,643
(b) Derivative financial instruments								
Foreign exchange forward contracts								

31 March 2016	Currency	On Demand	Less Than 1 Year	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years	Total
(a) Non Derivative financial instruments								
Long term borrowings	AED	77,315,173.00						77,315,173.00
	INR	1,393,026,130.00						1,393,026,130.00
Trade payables								
Trade payables - other than micro and small ent.	AED	3,000.00						3,000.00
	INR	54,053.00						54,053.00
(b) Derivative financial instruments								
Foreign exchange forward contracts								

31 March 2015	Currency	On Demand	Less Than 1 Year	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years	Total
(a) Non Derivative financial instruments								
Long term borrowings	AED	181,500.00						181,500.00
	INR	3,003,825.00						3,003,825.00
(b) Derivative financial instruments								
Foreign exchange forward contracts								

iii) Financing arrangements

The Company does not have any financing arrangements.

NARENDRA PODDAR & CO.
MUMBAI
CHARTERED ACCOUNTANTS

17. 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	Currency	Carrying value			Fair value		
			31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15
	Financial Asset							
(a)	**Carried at amortised cost**							
(i)	Other Receivables-Prepaid Expenses	AED	19,703	47,963,004	-	19,703	47,963,004	-
		INR	347,614	864,173,425	-	347,614	864,173,425	-
(ii)	Cash and Cash Equivalent	AED	41,924	61,958	77,816	41,924	61,958	77,816
		INR	739,652	1,116,328	1,287,855	739,652	1,116,328	1,287,855
	Financial Liabilities							
(a)	**Carried at amortised cost**							
(i)	Borrowings	AED	77,291,441	77,315,173	181,500	77,291,441	77,315,173	181,500
		INR	1,363,628,779	1,393,026,130	3,003,825	1,363,628,779	1,393,026,130	3,003,825
(ii)	Trade Payable	AED	2,500	3,000	-	2,500	3,000	-
		INR	44,107	54,053	-	44,107	54,053	-
(iii)	Other Payables	AED	1,000	-	-	1,000	-	-
		INR	17,643	-	-	17,643	-	-

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

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

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

i) 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.

ii) 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.

iii) 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.

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,

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:

Rs.In Crores

Sr. No.	Particulars	Currency	Fair Value Measurement			Valuation	Inputs used
			Level 1	Level 2	Level 3		
(a)	**Assets and liabilities for which fair values are disclosed** **Financial assets measured at amortised cost**						
(i)	Other Receivables	AED	-	19.703	-	Discounted cash	Forecast cash flows. discount rate,
		INR		347,614	-		
(b)	**Financial liability measured at amortised cost**						
(i)	Borrowings	AED		77.291.441		Discounted cash	Forecast cash flows. discount rate,
		INR		1,363,628,779			
(ii)	Other Payables	AED		1.000	-	Discounted cash	Forecast cash flows, discount rate,
		INR		17,643			

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2016:

Sr. No.	Particulars	Currency	Fair Value Measurement			Valuation	Inputs used
			Level 1	Level 2	Level 3		
(a)	**Assets and liabilities for which fair values are disclosed** **Financial assets measured at amortised cost**						
(i)	Other Receivables	AED	-	47.963.004	-	Discounted cash	Forecast cash flows. discount rate,
		INR	-	864,173,425	-		
(b)	**Financial liability measured at amortised cost**						
(i)	Borrowings	AED		77.315.173		Discounted cash	Forecast cash flows. discount rate,
		INR		1,393,026,130			
(ii)	Other payables		-		-		
			-		-		

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2015:

Sr. No.	Particulars	Currency	Fair Value Measurement			Valuation	Inputs used
			Level 1	Level 2	Level 3		
(a)	**Assets and liabilities for which fair values are disclosed** **Financial assets measured at amortised cost**						
(i)	Other receivables		-				
(b)	**Financial liability measured at amortised cost**						
(i)	Borrowings	AED		181.500		Discounted cash	Forecast cash flows. discount rate,
		INR		3,003,825			
(iii)	Other payables		-		-		
			-		-		

During the year ended 31 March 2017, 31 March 2016 and 1 April 2015 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

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

- 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 into account for the expected credit losses of these
- 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 available for debt on similar terms, credit risk and
- 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
- 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 2017 was

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

17. The company was incorporated on 7th July, 2014. The information contained in these financial statements is for the year ended 31 March, 2017 disclosed in AED, 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 AED are only for additional information.

18. This Company is a Foreign Company and Subsidiary of an Indian Company. Hence there was no dealing in Indian Currency.Henceforth Rule 11D of the Companies (Audit & Auditors) Amendment Rules 2017 is not applicable.

19. Statement of Accounts for the year ended on 31-March-2016 were not audited by us.We have relied on the financial statements audited by the previous auditor.

20. 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 20

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

NARENDRA PODDAR & CO. MUMBAI Chartered Accountants

Narendra Poddar, Proprietor
Membership No. 41256

Mumbai,9th May,2017

For and on behalf of the Board

Director Director