

Deloitte Haskins & Sells LLP

Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF ALOK INTERNATIONAL INC.

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.



Regd. Office: 12, Dr. Annie Besant Road, Opp. Shiv Sagar Estate, Worli, Mumbai - 400 018, India

Deloitte Haskins & Sells (Registration No. BA 97449) a partnership firm was converted into Deloitte Haskins & Sells LLP (LLP Identification No. AAB-8737) a limited liability partnership with effect from 20th November 2013.

**Deloitte
Haskins & Sells LLP**

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

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

Other Matter

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

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



A handwritten signature in black ink, appearing to read "R. D. Kamat", written over the stamp.

R. D. Kamat
Partner
Membership No. 36822

MUMBAI, November 22, 2013

ALOK INTERNATIONAL INC
BALANCE SHEET AS AT 30TH SEPTEMBER 2013

PARTICULARS	NOTES	AS AT 30-Sep-2013 Rupees	AS AT 30-Sep-2013 USD	AS AT 31-Mar-2012 Rupees	AS AT 31-Mar-2012 USD
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2	43,225	1,000	43,225	1,000
Reserves and Surplus	3	3,54,212	16,05,970	(3,03,34,153)	1,17,077
		3,97,437	16,06,970	(3,02,90,928)	1,18,077
Non-current Liabilities					
Long-term Borrowings	4	8,84,392	14,088	11,99,921	23,456
Current Liabilities					
Short-term Borrowings	5	1,12,70,13,605	1,79,52,652	4,21,12,839	8,23,216
Trade payables	6	56,43,59,339	89,89,906	85,81,10,559	1,67,74,223
Other current liabilities	7	8,54,387	13,610	2,90,774	5,684
Short-term provisions	8	4,53,29,410	7,22,070	44,14,466	86,293
TOTAL		1,73,88,38,570	2,92,99,296	87,58,37,631	1,78,30,949
ASSETS					
Non-current Assets					
Fixed assets					
(i) Tangible assets	9	63,34,452	1,22,921	71,93,220	1,38,250
(ii) Intangible asset	9	4,18,949	18,400	-	-
(iii) Intangible asset under development		49,29,002	87,371	59,47,986	1,16,270
Non-current Investments	10	4,46,50,000	10,00,000	4,46,50,000	10,00,000
Current Assets					
Inventories	11	66,08,80,735	1,17,96,723	44,71,81,226	93,26,809
Trade receivables	12	50,24,54,855	80,03,805	35,19,65,239	68,80,166
Cash & Cash Equivalents	13	73,84,465	1,17,630	1,20,03,956	2,34,652
Short-term Loans & Advances	14	51,17,86,112	81,52,446	68,96,004	1,34,802
TOTAL		1,73,88,38,570	2,92,99,296	87,58,37,631	1,78,30,949

See accompanying notes forming part of the financial statements 1 to 31

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants



R. D. Kamat
Partner

For and on behalf of the Board

Ashok B. Jiwrajka
(Director)

Dilip B. Jiwrajka
(Director)

Surendra B. Jiwrajka
(Director)

Place: Mumbai
Date: 22nd November 2013

Place: Mumbai
Date: 22nd November 2013

ALOK INTERNATIONAL INC

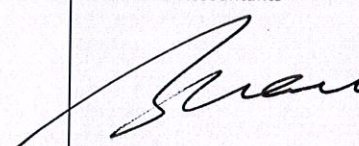

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 1ST APRIL 2012 TO 30TH SEPTEMBER 2013

PARTICULARS	NOTES	For the period ended 30-Sep-2013		For the year ended 31-Mar-2012	
		Rupees	USD	Rupees	USD
REVENUE					
Revenue from Operations (net)	15	3,32,04,89,020	5,92,70,738	1,42,32,74,952	2,96,85,087
Other Income	16	-	-	6,85,960	14,307
Total Revenue		3,32,04,89,020	5,92,70,738	1,42,39,60,912	2,96,99,394
EXPENSES					
Purchase of Traded goods		2,88,96,60,440	5,15,80,447	1,48,86,04,599	3,10,47,660
Change in inventories of Traded Goods	17	(21,36,99,509)	(24,69,914)	(22,96,77,101)	(44,55,496)
Employee benefits expense	18	8,77,24,155	15,65,877	3,32,79,832	6,94,114
Finance costs	19	2,31,77,968	4,13,727	8,238	172
Depreciation and Amortisation expense	9	15,87,003	28,328	1,65,125	3,444
Other expenses	20	33,41,90,794	59,65,306	11,26,16,653	23,48,833
Total Expenses		3,12,26,40,851	5,70,83,771	1,40,49,97,346	2,96,38,727
Profit before tax and translation difference		19,78,48,169	21,86,967	1,89,63,566	60,667
Net loss on translation	1 (i) (b)	12,80,52,023	-	5,18,17,845	-
Profit / (Loss) before tax		6,97,96,146	21,86,967	(3,28,54,279)	60,667
Tax expenses:					
Current tax (Refer note no. 27)		3,91,07,781	6,98,074	-	-
Net profit/(loss) for the period/year		3,06,88,365	14,88,893	(3,28,54,279)	60,667
EARNINGS PER SHARE					
Basic and Diluted (not annualised)	24	30,688.37	1,488.89	(32,854.28)	60.67

See accompanying notes forming part of the financial statements 1 to 31

In terms of our report attached

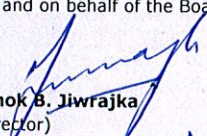
For Deloitte Haskins & Sells LLP
Chartered Accountants

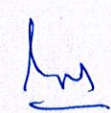



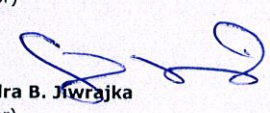
R. D. Kamat
Partner

Place: Mumbai
Date: 22nd November 2013

For and on behalf of the Board


Ashok B. Jiwrajka
(Director)


Dilip B. Jiwrajka
(Director)


Surendra B. Jiwrajka
(Director)

Place: Mumbai
Date: 22nd November 2013



ALOK INTERNATIONAL INC.

CASH FLOW STATEMENT FOR THE PERIOD FROM 1ST APRIL 2012 TO 30TH SEPTEMBER 2013

	For the period ended 30-Sep-2013		For the year ended 31-Mar-2012	
	Rupees	USD	Rupees	USD
A) CASH FLOW FROM OPERATING ACTIVITIES				
Profit / (loss) before Tax	6,97,96,146	21,86,967	(3,28,54,279)	60,667
Adjustments for :				
Depreciation / Amortisation	15,87,003	28,328	1,65,125	3,444
Unrealised Exchange Difference	12,80,52,023	-	5,18,17,845	-
Interest expense	2,31,77,968	4,13,727	8,238	172
Operating Profit before working capital changes	22,26,13,140	26,29,022	1,91,36,929	64,283
Adjustments for :				
(Decrease) / Increase in Current Liabilities	(43,56,97,074)	(77,77,194)	52,96,59,937	1,10,47,058
Increase in Trade receivables	(6,29,48,909)	(11,23,639)	(27,70,71,360)	(57,78,846)
Increase in Inventories	(21,36,99,509)	(24,69,914)	(22,96,77,101)	(44,55,496)
Increase in Loans & Advances	(44,91,67,666)	(80,17,644)	(56,05,347)	(1,16,910)
Cash (used in) / generated from operations	(93,89,00,018)	(1,67,59,369)	3,64,43,058	7,60,089
Income Tax Paid	(34,90,027)	(62,297)	(4,38,256)	(9,141)
A) Net cash (used in) / generated from operating activities	(94,23,90,045)	(1,68,21,666)	3,60,04,802	7,50,948
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(1,40,056)	(2,500)	(99,24,984)	(2,07,004)
B) Net cash used in investing activities	(1,40,056)	(2,500)	(99,24,984)	(2,07,004)
C) CASH FLOW FROM FINANCING ACTIVITIES				
Interest paid on borrowing	(2,31,77,968)	(4,13,727)	(8,238)	(172)
Proceeds from long term borrowing	-	-	11,24,612	23,456
Repayment of long term borrowing	(4,79,857)	(8,565)	-	-
Proceeds from Short term borrowing(net)	95,96,32,101	1,71,29,436	(1,81,04,638)	(3,77,606)
C) Net cash generated from / (used in) financing activities	93,59,74,276	1,67,07,144	(1,69,88,264)	(3,54,322)
Net (decrease) / increase in Cash and Cash equivalents (A+B+C)	(65,55,825)	(1,17,022)	90,91,554	1,89,622
Cash and Cash equivalents at the beginning of the period/year	1,20,03,956	2,34,652	20,10,606	45,030
Effect of exchange rate change on cash and cash equivalents	19,36,334	-	9,01,796	-
Cash and Cash equivalents at the end of the period/year	73,84,465	1,17,630	1,20,03,956	2,34,652

NOTES TO CASH FLOW STATEMENT

- Purchase of fixed asset are stated inclusive of movements of capital work in progress between the commencement and end of the period/year and is considered as part of investing activity.
- Components of cash and cash equivalents include bank balances in current accounts.
- The Cash Flow Statement has been prepared in accordance with the requirement of Accounting Standard (AS) 3 " Cash Flow Statement".

In terms of our report attached

For and on behalf of the Board

Ashok B. Jiwrajka
Ashok B. Jiwrajka
(Director)

Dilip B. Jiwrajka
Dilip B. Jiwrajka
(Director)

Surendra B. Jiwrajka
Surendra B. Jiwrajka
(Director)

Place: Mumbai
Date: 22nd November 2013

For Deloitte Haskins & Sells LLP
Chartered Accountants

R. D. Kamat
R. D. Kamat
Partner



Place: Mumbai
Date: 22nd November 2013



ALOK INTERNATIONAL INC

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2012 TO 30TH SEPTEMBER 2013

1. SIGNIFICANT ACCOUNTING POLICIES

Alok International Inc. incorporated on May 05, 2008 under the laws of the State of Texas (USA), is a wholly owned subsidiary of Alok Industries Limited, Company incorporated in India. The company is engaged in the business of marketing services and trading activities. These financial statements are prepared solely for the purpose of consolidation by the holding company, Alok Industries Limited and to comply with the provision of Section 212 of the Indian Company Act, 1956.

i Basis of preparation of financial statements.

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

b) Translation to Indian Rupees

The accounts are maintained in US Dollars, being the currency of United States of America. Considering the operations of the company as integral to the parent company, the financial statements have been translated to Indian Rupees on the following basis-

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

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

- a) Revenue from service charges is recognised on rendering of the related services in accordance with the terms of the agreement.
- b) Revenue on sale of traded goods is recognised when the goods are dispatched to customers, all significant contractual obligations have been satisfied and the collection of the resulting receivable is reasonably expected. Sales are stated net of trade discount, returns and sales tax collected.

iv Fixed Assets

Fixed Assets are stated at cost of acquisition or construction including directly attributable cost. They are stated at historical cost less accumulated depreciation and impairment loss, if any.

v Depreciation Policy

- a) Depreciation on Fixed Assets is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Indian Companies Act,
- b) Depreciation on additions to assets or on sale / disposal of assets is calculated from the beginning of the month of such addition or up to the month of such sale / scrapped, as the case may be.
- c) Trademarks / Brands are amortised over a period of three years from the date of capitalization.

vi Intangible asset under development

Brands under registration are carried at a cost as intangible asset under development and represents directly attributable cost.

vii Investments

Investments classified as long term investment are stated at cost. Provision is made to recognize a decline, other than temporary, in the value of investments.

viii Income Taxes

Tax expenses comprises of current tax and deferred tax. Deferred tax is accounted for in accordance with Accounting Standard (AS)-22 on "Accounting for taxes on Income" Current tax is measured at the amount expected to be paid/recovered from the tax authority using the applicable tax rates. Deferred tax assets and liabilities are recognized for future tax consequence attributable to timing difference between taxable income and accounting income that are capable of reversing in one or more subsequent periods and are measured at relevant enacted/substantively enacted tax rates. At each balance sheet date, the Company reassesses unrealized deferred tax assets to the extent they become reasonably certain or virtually certain of realization, as the case may be.

ix Inventory

Items of Inventories of trading goods are valued at cost determined on first -in-first-out (FIFO) basis or net realizable value, whichever is lower.

x Employee benefits

Defined Contribution Plan

Company's contribution paid/ payable for the period to defined contribution retirement benefit scheme is charged Statement of Profit and Loss.

Defined Benefit Plan

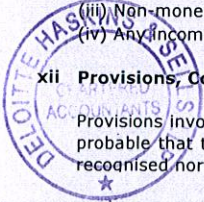
Company is not liable for any employee benefit in form of defined benefit plans (Gratuity plans) as it is a company incorporated in USA. All the statutory dues of the law of land are duly paid. The liability towards compensated absences also does not arise as the leave unavailed by the employee lapses within the year.

xi Foreign Currency Transactions

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

xii 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



ALOK INTERNATIONAL INC

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2012 TO 30TH SEPTEMBER 2013

PARTICULARS	AS AT 30-Sep-2013 Rupees	AS AT 30-Sep-2013 USD	AS AT 31-Mar-2012 Rupees	AS AT 31-Mar-2012 USD
2. SHARE CAPITAL				
(a) Authorised Shares				
1,000,000 Common Shares of USD 1/- each	4,32,25,000	10,00,000	4,32,25,000	10,00,000
	4,32,25,000	10,00,000	4,32,25,000	10,00,000
(b) Issued, Subscribed and fully paid-up Equity Share Capital				
1,000 Common Shares of USD 1/- each fully paid	43,225	1,000	43,225	1,000
TOTAL	43,225	1,000	43,225	1,000

NOTES :

- (i) The Company is a wholly owned subsidiary of Alok Industries Limited and there is no change in the share capital during the period/year.
- (ii) **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 share holders are entitled for dividend in USD as and when recommended by the Board of Directors and approved by the share holders 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 shareholder.

3. RESERVES AND SURPLUS

(Deficit)/Surplus in the Statement of Profit and Loss

Balance brought forward from previous year	(3,03,34,153)	1,17,077	25,20,126	56,410
Profit / (Loss) for the period/year	3,06,88,365	14,88,893	(3,28,54,279)	60,667
TOTAL	3,54,212	16,05,970	(3,03,34,153)	1,17,077

4. LONG-TERM BORROWINGS

Term loan from Bank				
Vehicle loan from Banks (Secured)	8,84,392	14,088	11,99,921	23,456
TOTAL	8,84,392	14,088	11,99,921	23,456

NOTES :

- (a) Vehicle loan is secured by vehicle under hypothecation with banks against such loans taken.
(Interest Rate - 3% p.a. (previous year 3% p.a), Tenure of Loan - 40 Months (previous year 60 Months))

5. SHORT-TERM BORROWINGS

Loans & Advances from Related party (unsecured) (Refer note no 21) (Interest free, repayable on demand)	82,51,76,393	1,31,44,566	4,21,12,839	8,23,216
Capital Business Redit LLC	30,18,37,212	48,08,086	-	-
TOTAL	1,12,70,13,605	1,79,52,652	4,21,12,839	8,23,216

6. TRADE PAYABLES

Creditors for supplies / services (Refer note no. 21)	56,43,59,339	89,89,906	85,81,10,559	1,67,74,223
TOTAL	56,43,59,339	89,89,906	85,81,10,559	1,67,74,223

7. OTHER CURRENT LIABILITIES

Current maturities of long-term debt				
Vehicle loan from banks (Secured) (Refer note no. 4 above)	4,07,211	6,487	2,90,774	5,684
Advance from customers	4,47,176	7,123	-	-
TOTAL	8,54,387	13,610	2,90,774	5,684

8. SHORT-TERM PROVISIONS

Provision for taxation (net of advance tax)	4,53,29,410	7,22,070	44,14,466	86,293
TOTAL	4,53,29,410	7,22,070	44,14,466	86,293



ALOK INTERNATIONAL INC

NOTES TO FINANCIAL STATEMENT FOR THE PERIOD FROM 1ST APRIL 2012 TO 30TH SEPTEMBER 2013

9 FIXED ASSETS

SR NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As at 1-Apr-12	Additions	As at 30-Sep-13	As at 1-Apr-12	For the period/year	As at 30-Sep-13	As at 30-Sep-13	As at 31-Mar-12
	Tangible Assets								
1	Plant & Equipment	56,645	-	56,645	1,424	3,872	5,296	51,349	55,221
2	Vehicle	85,049	-	85,049	2,020	11,457	13,477	71,572	83,029
	Sub Total	1,41,694	-	1,41,694	3,444	15,329	18,773	1,22,921	1,38,250
	Sub Total Previous Year	-	1,41,694	1,41,694	-	3,444	3,444	1,38,250	-
	Intangible Assets								
1	Trademarks/Brands		31,399	31,399		12,999	12,999	18,400	-
	Sub Total	-	31,399	31,399	-	12,999	12,999	18,400	-
	Sub Total Previous Year	-	-	-	-	-	-	-	-
	Total Current Period	1,41,694	31,399	1,73,093	3,444	28,328	31,772	1,41,321	1,38,250
	Total Previous Year	-	1,41,694	1,41,694	-	3,444	3,444	1,38,250	-

SR NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As at 1-Apr-12	Additions	As at 30-Sep-13	As at 1-Apr-12	For the period/year	As at 30-Sep-13	As at 30-Sep-13	As at 31-Mar-12
	Tangible Assets								
1	Plant & Equipment	27,72,129	-	27,72,129	68,275	2,16,919	2,85,194	24,86,935	27,03,854
2	Vehicle	45,86,216	-	45,86,216	96,850	6,41,849	7,38,699	38,47,517	44,89,366
	Sub Total	73,58,345	-	73,58,345	1,65,125	8,58,768	10,23,893	63,34,452	71,93,220
	Sub Total Previous Year	-	73,58,345	73,58,345	-	1,65,125	1,65,125	71,93,220	-
	Intangible Assets								
	Trademarks/Brands		11,47,184	11,47,184		7,28,235	7,28,235	4,18,949	-
	Sub Total	-	11,47,184	11,47,184	-	7,28,235	7,28,235	4,18,949	-
	Sub Total Previous Year	-	-	-	-	-	-	-	-
	Total Current Period	73,58,345	11,47,184	85,05,529	1,65,125	15,87,003	17,52,128	67,53,401	71,93,220
	Total Previous Year	-	73,58,345	73,58,345	-	1,65,125	1,65,125	71,93,220	-



ALOK INTERNATIONAL INC

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2012 TO 30TH SEPTEMBER 2013

PARTICULARS	AS AT 30-Sep-2013 Rupees	AS AT 30-Sep-2013 USD	AS AT 31-Mar-2012 Rupees	AS AT 31-Mar-2012 USD
10. NON CURRENT INVESTMENTS (at cost)				
Trade				
Investments in Equity Instruments (fully paid up)				
In Associates Company - unquoted				
Next Creation Holding LLC	4,46,50,000	10,00,000	4,46,50,000	10,00,000
TOTAL	4,46,50,000	10,00,000	4,46,50,000	10,00,000
11. INVENTORIES				
Stock of Traded Goods	66,08,80,735	1,17,96,723	44,71,81,226	93,26,809
(Includes stock in transit Rs. 150,222,094 (USD 2,758,839)				
previous year Rs. 209,174,856 (USD 4,088,920))				
TOTAL	66,08,80,735	1,17,96,723	44,71,81,226	93,26,809
12. TRADE RECEIVABLES (Unsecured)				
Debts Outstanding for a period exceeding six months from due date	3,53,25,326	5,62,711	2,17,45,116	4,25,070
Less : Provision	2,71,22,381	4,32,043	2,03,33,956	3,97,485
	82,02,945	1,30,668	14,11,160	27,585
Other debts	49,42,51,910	78,73,137	35,05,54,079	68,52,581
TOTAL	50,24,54,855	80,03,805	35,19,65,239	68,80,166
Considered Good	50,24,54,855	80,03,805	35,19,65,239	68,80,166
Considered Doubtful	2,71,22,381	4,32,043	2,03,33,956	3,97,485
TOTAL	52,95,77,236	84,35,848	37,22,99,195	72,77,651
NOTE : Refer note no. 21 for related party balances				
13. CASH & CASH EQUIVALENTS				
Cash & Cash Equivalents				
Balance with Bank				
In Current Accounts	73,84,465	1,17,630	1,20,03,956	2,34,652
TOTAL	73,84,465	1,17,630	1,20,03,956	2,34,652
14. SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good)				
Loans & advances to Related parties (Refer note no. 21)	10,89,18,095	17,35,000	63,50,568	1,24,140
Others				
Advance to Staff	-	-	85,027	1,662
Advance to vendors (Refer note no. 21)	40,28,68,017	64,17,446	4,60,409	9,000
TOTAL	51,17,86,112	81,52,446	68,96,004	1,34,802



ALOK INTERNATIONAL INC

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2012 TO 30TH SEPTEMBER 2013

PARTICULARS	For the period ended 30-Sep-2013		For the year ended 31-Mar-2012	
	Rupees	USD	Rupees	USD
15. REVENUE FROM OPERATIONS				
Sale of traded goods	2,91,08,68,693	5,19,59,014	1,29,34,95,527	2,69,78,292
Marketing Services to holding company	40,96,20,327	73,11,724	12,97,79,425	27,06,795
TOTAL	3,32,04,89,020	5,92,70,738	1,42,32,74,952	2,96,85,087
16. OTHER INCOME				
Provision for doubtful debts written back	-	-	6,85,960	14,307
TOTAL	-	-	6,85,960	14,307
17. CHANGE IN INVENTORIES OF STOCK IN TRADE				
CLOSING STOCK AS ON 30TH SEPTEMBER / 31ST MARCH				
Traded Goods	66,08,80,735	1,17,96,723	44,71,81,226	93,26,809
LESS : OPENING STOCK AS ON 1ST APRIL				
Traded Goods	44,71,81,226	93,26,809	21,75,04,125	48,71,313
TOTAL	21,36,99,509	24,69,914	22,96,77,101	44,55,496
18. EMPLOYEE BENEFIT EXPENSES				
Salaries & Wages	8,10,82,552	14,47,324	3,04,73,836	6,35,589
Contribution to provident & other fund	66,41,603	1,18,553	28,05,996	58,525
			-	-
	8,77,24,155	15,65,877	3,32,79,832	6,94,114
19. FINANCE COSTS				
Factoring Charges	2,31,12,662	4,12,561	-	-
Interest expenses on Car Loan	65,306	1,166	8,238	172
TOTAL	2,31,77,968	4,13,727	8,238	172
20. OTHER EXPENSES				
Purchase of Stores & spares	46,49,820	82,999	14,42,993	30,096
Hamali Charges	7,29,68,355	13,02,485	1,43,11,215	2,98,487
Auditor's Remuneration (Including Service Tax)				
Audit Fees	7,75,707	13,846	4,21,252	8,786
Bank Charges & Commission	11,42,264	20,389	4,17,491	8,708
Commission on sales	98,75,888	1,76,285	61,91,272	1,29,131
Electricity expenses	26,01,627	46,439	15,66,469	32,672
Rates and taxes	41,19,970	73,541	7,46,705	15,574
Insurance charges	41,72,070	74,471	18,24,609	38,056
Legal and Professional charges	3,96,00,719	7,06,873	76,22,752	1,58,987
Office expenses	2,03,58,525	3,63,400	1,51,37,972	3,15,731
Office rent	4,46,58,519	7,97,155	2,16,31,382	4,51,163
Repairs and Maintenance - Showroom/Outlet)	2,88,97,863	5,15,827	72,81,932	1,51,878
Repairs and Maintenance - Others	28,58,112	51,017	26,81,830	55,935
Communication expenses	27,00,984	48,213	11,28,758	23,542
Postage & Telegrams	92,74,371	1,65,548	5,34,731	11,153
Travelling Expenses	3,44,49,073	6,14,916	2,16,90,886	4,52,404
Sales and Distribution expenses	2,82,47,772	5,04,223	33,64,850	70,180
Provision for Doubtful Debts	19,36,022	34,558	-	-
Membership & Subscription	96,67,257	1,72,561	9,40,831	19,623
Miscellaneous Expenses	1,12,35,876	2,00,560	36,78,723	76,727
(Includes Sampling Charges, Godown Expenses, Security Expenses, Printing & Stationary etc.)				
TOTAL	33,41,90,794	59,65,306	11,26,16,653	23,48,833



NOTES TO FINANCIAL STATEMENT FOR THE PERIOD FROM 1ST APRIL 2012 TO 30TH SEPTEMBER 2013

21 Related Parties Disclosures

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

(i) Names of related party and nature of relationship

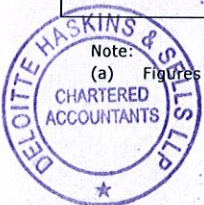
Alok Industries Limited	Holding company
Alok Industries International Limited	Fellow Subsidiary
Alok Singapore PTE Ltd	Fellow Subsidiary
Grabal Alok (UK) Limited	Fellow Subsidiary
Next Creations Holdings Limited	Associate Company

(ii) Nature of transactions

Transaction	Holding Company		Fellow Subsidiary		Associate Company		Total	
	In Rupees	In USD	In Rupees	In USD	In Rupees	In USD	In Rupees	In USD
Equity Share Capital								
Balance as at 1st April	43,225	1,000	-	-	-	-	43,225	1,000
	(43,225)	(1,000)	(-)	(-)	(-)	(-)	(43,225)	(1,000)
Balance as at 30th Sept / 31st March	43,225	1,000	-	-	-	-	43,225	1,000
	(43,225)	(1,000)	(-)	(-)	(-)	(-)	(43,225)	(1,000)
Trade Payable								
Balance as at 30th Sept / 31st March	7,20,98,413	11,48,485	-	-	-	-	7,20,98,413	11,48,485
	(84,88,02,730)	(1,65,92,275)	(-)	(-)	(-)	(-)	(84,88,02,730)	(1,65,92,275)
Short term borrowing								
Balance as at 1st April	4,21,12,839	8,23,216	-	-	-	-	4,21,12,839	8,23,216
	(5,36,16,713)	(12,00,822)	(-)	(-)	(-)	(-)	(5,36,16,713)	(12,00,822)
Accepted during the period/year	1,98,14,54,181	3,15,63,378	-	-	-	-	1,98,14,54,181	3,15,63,378
	(11,91,53,128)	(23,29,189)	(-)	(-)	(-)	(-)	(11,91,53,128)	(23,29,189)
Repaid during the period/year	74,89,48,694	1,19,30,304	-	-	-	-	74,89,48,694	1,19,30,304
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Adjusted against service charges during the period/year	45,90,08,098	73,11,724	-	-	-	-	45,90,08,098	73,11,724
	(13,84,70,125)	(27,06,795)	(-)	(-)	(-)	(-)	(13,84,70,125)	(27,06,795)
Exchange rate difference during the period/year	95,66,165	-	-	-	-	-	95,66,165	-
	(78,13,123)	-	(-)	(-)	(-)	(-)	(78,13,123)	-
Balance as at 30th Sept / 31st March	82,51,76,393	1,31,44,566	-	-	-	-	82,51,76,393	1,31,44,566
	(4,21,12,839)	(8,23,216)	(-)	(-)	(-)	(-)	(4,21,12,839)	(8,23,216)
Investment								
Balance as at 1st April	-	-	-	-	4,46,50,000	10,00,000	4,46,50,000	10,00,000
	(-)	(-)	(-)	(-)	(4,46,50,000)	(10,00,000)	(4,46,50,000)	(10,00,000)
Balance as at 30th Sept / 31st March	-	-	-	-	4,46,50,000	10,00,000	4,46,50,000	10,00,000
	(-)	(-)	(-)	(-)	(4,46,50,000)	(10,00,000)	(4,46,50,000)	(10,00,000)
Debtors								
Balance as at 30th Sept / 31st March	-	-	-	-	28,90,68,789	46,04,693	28,90,68,789	46,04,693
	-	-	-	-	(22,47,61,794)	(43,93,612)	(22,47,61,794)	(43,93,612)
Short term Loans and Advances								
Advance to vendors (Alok Singapore Pte. Ltd.)								
Balance as at 30th Sept / 31st March	-	-	37,29,07,370	59,40,191	6,01,014	9,574	37,35,08,384	59,49,765
	-	-	(-)	(-)	(63,50,568)	(1,24,140)	(63,50,568)	(1,24,140)
Loans & advances (Grabal Alok (UK) Limited)								
Balance as at 1st April	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Granted during the period/year	-	-	9,54,21,040	15,20,000	-	-	9,54,21,040	15,20,000
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Balance as at 30th Sept / 31st March	-	-	9,54,21,040	15,20,000	-	-	9,54,21,040	15,20,000
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Loans & advances (Alok Industries International Limited)								
Balance as at 1st April	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Granted during the period/year	-	-	1,34,97,055	2,15,000	-	-	1,34,97,055	2,15,000
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Balance as at 30th Sept / 31st March	-	-	1,34,97,055	2,15,000	-	-	1,34,97,055	2,15,000
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Revenue								
Sales								
Sales	-	-	-	-	80,35,59,450	1,43,43,538	80,35,59,450	1,43,43,538
	(-)	(-)	(-)	(-)	(56,14,10,797)	(1,17,09,280)	(56,14,10,797)	(1,17,09,280)
Marketing Services charges	40,96,20,327	73,11,724	-	-	-	-	40,96,20,327	73,11,724
	(12,97,79,425)	(27,06,795)	(-)	(-)	(-)	(-)	(12,97,79,425)	(27,06,795)
Expenditure								
Purchases of traded goods	1,07,67,10,584	1,92,19,287	1,11,89,28,897	1,99,72,884	-	-	2,19,56,39,481	3,91,92,171
	(1,42,57,10,440)	(2,97,33,273)	(-)	(-)	(-)	(-)	(1,42,57,10,440)	(2,97,33,273)
Recovery of Expenses								
	(-)	(-)	(-)	(-)	5,36,347	9,574	5,36,347	9,574
	(-)	(-)	(-)	(-)	(2,10,77,371)	(4,39,608)	(2,10,77,371)	(4,39,608)

Note:

(a) Figures for the previous year are given in brackets.



ALOK INTERNATIONAL INC

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2012 TO 30TH SEPTEMBER 2013

22 Service charges represent income received/accrued towards reimbursement of marketing and other expenses incurred for Alok Industries Limited, the holding Company, which are reimbursed by Alok Industries Limited with a mark-up of 5% as per the agreement entered in to between both companies.

23 Segment Reporting

The Company trades in home furnishing items purchased from the holding company in the United States of America (USA) and have also earned income on account of recovery of cost as stated in note no. 15 and 22, which is incidental to trading activities. In the opinion of the company, the company has only one reportable segment i.e. "Trading".

24 Earnings per share (EPS)

PARTICULARS	For the period ended 30-Sep-2013		For the year ended 31-Mar-2012	
	Rupees	USD	Rupees	USD
Net Profit / (Loss) for the period / year	3,06,88,365	14,88,893	(3,28,54,279)	60,667
Weighted average number of equity shares	1,000	1,000	1,000	1,000
Nominal Value of equity share	N.A.	1	N.A.	1
Basic and Diluted Earnings per share	30,688.37	1,488.89	(32,854.28)	60.67

25 Additional Information

PARTICULARS	1-April-2012 to 30-Sept-2013	1-April-2011 to 31-March-2012
Purchase of traded goods		
Madeups		
Amount (Rupees)	2,86,05,33,386	1,48,49,16,136
Amount (USD)	5,10,60,529	3,09,70,785
Garment		
Amount (Rupees)	2,91,27,054	36,88,463
Amount (USD)	5,19,918	76,875
Sale of traded goods		
Madeups		
Amount (Rupees)	2,84,68,04,446	1,28,97,30,776
Amount (USD)	5,08,15,467	2,68,99,827
Garment		
Amount (Rupees)	6,40,64,247	37,64,751
Amount (USD)	11,43,547	78,465

26 Expenditure in Foreign Currency

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

27 The provision for current tax has been computed considering the tax laws in the United States of America (USA) and after setting off brought forward tax losses. Such computation is certified by the company's tax consultants.

28 The Company trades in home furnishing items purchased mainly from the holding company and fellow subsidiaries, and unsold stores lying at the period e aggregating to Rs. 66,08,80,735 (USD 1,17,96,723) (previous year Rs. 44,71,81,226 (USD 93,26,809)). The said stock items have been physically verified by the management and shortages noticed on such verification have been appropriately adjusted in the inventory records.

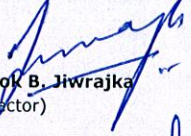


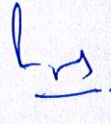
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2012 TO 30TH SEPTEMBER 2013

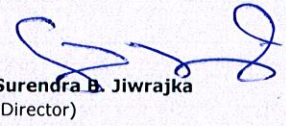
- 29 The information contained in the financial statements for the period ended 30th September 2013 disclosed in US dollar is extracted from the books of accounts locally maintained and converted into Indian Rupees as disclosed under 'basis of preparation' stated above.
- 30 The amounts in Balance Sheet, Statement of Profit and Loss and cash flow statement are rounded off to the nearest Rupee / USD. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.
- 31 The Company has extended its accounting year end from 31 March 2013 to 30 September 2013. Accordingly, figures for the current year are for a period of 18 months from 1st April 2012 to 30th September 2013, whereas figures for the previous year are for a period of 12 months and hence such figures are not comparable.

Signatures to notes 1 to 31

For and on behalf of the Board


Ashok B. Jiwrajka
(Director)


Dilip B. Jiwrajka
(Director)


Surendra B. Jiwrajka
(Director)

Place: Mumbai

Date: 22nd November 2013

