

# Narendra Poddar & Co.

CHARTERED ACCOUNTANTS

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Date .....

## INDEPENDENT AUDITOR'S REPORT

To the Members of GRABAL ALOK INTERNATIONAL LIMITED

### Report on the Financial Statements

1. We have audited the accompanying financial statements of GRABAL ALOK INTERNATIONAL 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 October 01, 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.



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.

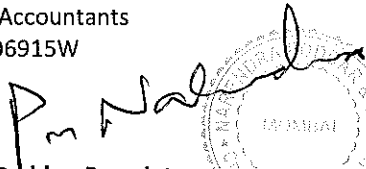
#### Opinion

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 loss and its cash flows for the period from October 01, 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

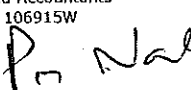


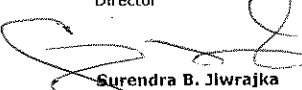
  
Narendra Poddar, Proprietor  
Membership No. 41256



Mumbai, 28th May, 2015

**GRABAL ALOK INTERNATIONAL LIMITED**

**BALANCE SHEET AS AT 31 MARCH 2015**

PARTICULARS	NOTES	AS AT 31-Mar-15 Rupees	AS AT 31-Mar-15 USD	AS AT 30-Sep-13 Rupees	AS AT 30-Sep-13 USD
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' funds</b>					
Share capital	3	1,212,348,648	26,915,599	1,212,348,648	26,915,599
Reserves and surplus	4	(4,758,007,998)	(83,563,851)	(239,073,851)	(11,411,915)
		(3,545,659,350)	(56,648,252)	973,274,797	15,503,684
<b>Non-current liabilities</b>					
Long-term borrowings	5	4,594,404,487	73,403,831	2,511,080,000	40,000,000
<b>Current liabilities</b>					
Short term borrowings	6	2,523,779,642	40,321,895	1,088,616,929	17,341,016
Trade payable	7	674,160	10,771	674,160	10,739
Other current liabilities	8	-	-	627,770,000	10,000,000
<b>TOTAL</b>		<b>3,573,198,939</b>	<b>57,088,245</b>	<b>5,201,415,886</b>	<b>82,855,439</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Non-current investments	9	3,536,380,200	56,500,000	4,966,660,110	79,115,920
Long-term loans and advances	10	-	-	79,498,837	1,266,369
<b>Current Assets</b>					
Cash and bank balances	11	626,000	10,001	1,181,680	18,823
Short-term loans and advances	12	36,192,739	578,244	154,075,259	2,454,327
<b>TOTAL</b>		<b>3,573,198,939</b>	<b>57,088,245</b>	<b>5,201,415,886</b>	<b>82,855,439</b>
Notes forming part of the financial statements		1 to 23			
As per our report of even date			For and on behalf of the Board		
<p>For Narendra Poddar &amp; Co. Chartered Accountants FRN No. 106915W</p>   <p>Narendra Poddar, Proprietor Membership No. 41256</p>			<p>Ashok B. Jiwrajka Director</p>  <p>Dilip B. Jiwrajka Director</p>  <p>Surendra B. Jiwrajka Director</p>		
Mumbai, 28th May 2015					

**GRABAL ALOK INTERNATIONAL LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2015**

PARTICULARS	NOTES	18 MONTHS ENDED 31-Mar-15		18 MONTHS ENDED 30-Sep-13	
		Rupees	USD	Rupees	USD
<b>REVENUE</b>					
Other Income	13	-	-	3,981,346	71,068
<b>Total</b>		-	-	<b>3,981,346</b>	<b>71,068</b>
<b>EXPENSES</b>					
Finance costs	14	425,367,440	6,927,291	269,154,266	4,804,403
Other expenses	15	4,005,092,549	65,224,645	1,011,887	18,062
<b>Total</b>		<b>4,430,459,989</b>	<b>72,151,936</b>	<b>270,166,153</b>	<b>4,822,465</b>
<b>LOSS FOR THE PERIOD</b>		<b>(4,430,459,989)</b>	<b>(72,151,936)</b>	<b>(266,184,807)</b>	<b>(4,751,397)</b>
<b>EARNINGS PER SHARE</b>					
Basic and Diluted (not annualised)	20	(88,564.92)	(1,442.32)	(5,321.04)	(94.98)

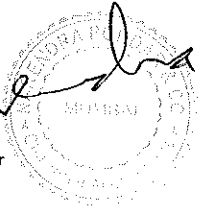
Notes forming part of the financial statements  
1 to 23

As per our report of even date

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

Narendra Poddar, Proprietor  
Membership No. 41256

Mumbai, 28th May 2015



For and on behalf of the Board

Ashok B. Jiwrajka  
Director

Dilip B. Jiwrajka  
Director

Surendra B. Jiwrajka  
Director

**GRABAL ALOK INTERNATIONAL LIMITED**

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2015**

PARTICULARS	18 MONTHS ENDED 31-Mar-15		18 MONTHS ENDED 30-Sep-13	
	Rupees	USD	Rupees	USD
<b>A) Cash Flow from Operating Activities</b>				
Loss for the period	(4,430,459,989)	(72,151,936)	(266,184,807)	(4,751,397)
<b>Adjustments for :</b>				
Unrealised exchange (gain) / loss	128,095	2,055	(86,056)	(1,378)
Interest Income	-	-	(3,906,387)	(69,729)
Finance costs	425,367,440	6,927,291	269,173,993	4,804,755
Provision for diminution in value of Investment (Refer note no. 18)	4,003,460,733	65,198,070	-	-
<b>Operating loss before working capital changes</b>	<b>(1,503,721)</b>	<b>(24,520)</b>	<b>(1,003,257)</b>	<b>(17,749)</b>
<b>Adjustments for :</b>				
(Decrease) / Increase In current liabilities	(614,043,931)	(9,999,968)	(25,826)	(461)
Decrease In loans and advances	192,960,976	3,142,452	35,200,007	628,320
<b>Net cash generated from / (used In) operating activities (A)</b>	<b>(422,586,676)</b>	<b>(6,882,036)</b>	<b>34,170,924</b>	<b>610,110</b>
<b>B) Cash flow from Investing activities</b>				
Purchase of Investment	(2,614,739,447)	(42,582,150)	-	-
Interest received	-	-	3,906,387	69,729
Fixed Deposits matured	-	-	229,506,543	4,096,691
<b>Net cash generated from / (used In ) investing activities (B)</b>	<b>(2,614,739,447)</b>	<b>(42,582,150)</b>	<b>233,412,930</b>	<b>4,166,420</b>
<b>C) Cash flow from financing activities</b>				
proceeds from long-term borrowings	4,507,332,120	73,403,831	-	-
Repayment of long-term borrowings	(2,456,183,585)	(40,000,000)	-	-
Finance costs	(425,367,440)	(6,927,291)	(269,173,993)	(4,804,755)
Short term borrowing (net)	1,411,131,444	22,980,879	(392,157)	(7,000)
<b>Net cash (used in) / generated from Financing activities (C)</b>	<b>3,036,912,539</b>	<b>49,457,419</b>	<b>(269,566,150)</b>	<b>(4,811,755)</b>
<b>Net decrease in Cash and Cash equivalents (A+B+C)</b>	<b>(413,584)</b>	<b>(6,767)</b>	<b>(1,982,296)</b>	<b>(35,225)</b>
<b>Cash and Cash equivalents at the beginning of the period</b>	<b>1,097,622</b>	<b>17,484</b>	<b>2,696,411</b>	<b>52,709</b>
<b>Effect of exchange rate change on cash and cash equivalent</b>	<b>(14,001)</b>	<b>-</b>	<b>383,507</b>	<b>-</b>
<b>Cash and Cash equivalents at the end of the period</b>	<b>670,037</b>	<b>10,717</b>	<b>1,097,622</b>	<b>17,484</b>

**NOTES TO CASH FLOW STATEMENT**

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

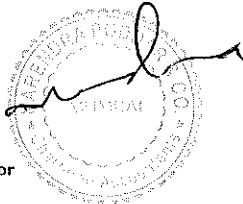
Particulars	As At 31-Mar-15		As At 30-Sep-13	
	Rupees	USD	Rupees	USD
Cash and Bank balances	626,000	10,001	1,181,680	18,823
Less: Deposit with maturity period of more than 3 months*	44,037	716	(84,058)	(1,339)
Effect of exchange rate change	-	-	-	-
<b>Cash and Cash equivalents as restated</b>	<b>670,037</b>	<b>10,717</b>	<b>1,097,622</b>	<b>17,484</b>

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

In terms of our report attached

For and on behalf of the Board

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



Narendra Poddar, Proprietor  
Membership No. 41256

Ashok B. Jiwrajka  
Director

Dilip B. Jiwrajka  
Director

Surendra B. Jiwrajka  
Director

Mumbai, 28th May 2015

GRABAL ALOK INTERNATIONAL LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE PERIOD 01 OCTOBER 2013 TO 31 MARCH 2015

**1. BACKGROUND**

Grabal Alok International Limited Incorporated on 14 November, 2005 under the laws of British Virgin Island, is a wholly owned subsidiary of Alok Infrastructure Limited, Company incorporated in India.

The Company continued to incur losses during the period resulting in significant accumulated losses as on 31 March 2015. The Company continues to be supported (financially and operationally) by Alok Industries Limited, the ultimate holding company and is contemplating various options to improve the business operations in future. On that basis, the accounts of the Company are prepared on going concern basis.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**A. 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 ultimate holding company.

**b) Translation to Indian Rupees:-**

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

- (i) All income and expenses are translated at the average rate of exchange prevailing during the 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'.

**B. Use of Estimates**

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

**C. Revenue Recognition**

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

**D. Investments**

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

**E. Foreign Currency Transactions**

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.

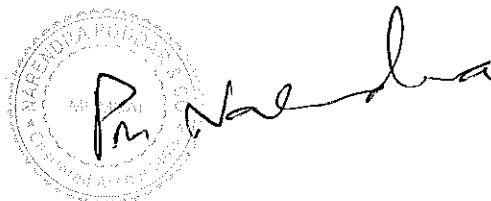
All other exchange differences are dealt with in the statement of profit and loss.

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

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

**G. 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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GRABAL ALOK INTERNATIONAL LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE PERIOD 01 OCTOBER 2013 TO 31 MARCH 2015

PARTICULARS	AS AT 31-Mar-15 Rupees	AS AT 31-Mar-15 USD	AS AT 30-Sep-13 Rupees	AS AT 30-Sep-13 USD
<b>3. SHARE CAPITAL</b>				
<b>(a) Authorised Shares</b>				
100,000 Equity Shares of USD 1 each	4,437,275	100,000	4,437,275	100,000
65,000,000 Class A Cumulative Redeemable Preference Shares of USD 1 each	2,902,250,000	65,000,000	2,902,250,000	65,000,000
100,000,000 Class B Cumulative Redeemable Preference Shares of USD 1 each	4,465,000,000	100,000,000	4,465,000,000	100,000,000
	<u>7,371,687,275</u>	<u>165,100,000</u>	<u>7,371,687,275</u>	<u>165,100,000</u>
<b>(b) Issued, subscribed and fully paid-up shares</b>				
<b>Equity Share Capital</b>				
50,025 Equity Shares of USD 1 each fully paid up	2,205,891	50,025	2,205,891	50,025
<b>Preference Share Capital</b>				
17,144,439 Class 'A' 1% Cumulative Redeemable Preference Shares of USD 1 each fully paid up	724,802,205	17,144,439	724,802,205	17,144,439
9,721,135 Class 'A' 0% Redeemable Preference Shares of USD 1 each fully paid up	485,340,552	9,721,135	485,340,552	9,721,135
<b>TOTAL</b>	<u>1,212,348,648</u>	<u>26,915,599</u>	<u>1,212,348,648</u>	<u>26,915,599</u>

NOTE :

a) 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	AS AT 30-Sep-13
Opening balance	50,025	50,025
Closing balance	50,025	50,025

Amount of Equity Shares

Particulars	AS AT 31-Mar-15 Rupees	AS AT 31-Mar-15 USD	AS AT 30-Sep-13 Rupees	AS AT 30-Sep-13 USD
Opening balance	2,205,891	50,025	2,205,891	50,025
Closing balance	2,205,891	50,025	2,205,891	50,025

b) Terms/rights attached to equity shares

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

c) Shareholder holding more than 5 percent of the equity share capital

Name of the share holder	31-Mar-15		30-Sep-13	
	No of shares	%	No of shares	%
Alok Infrastructure Limited	50,025	100%	50,025	100%

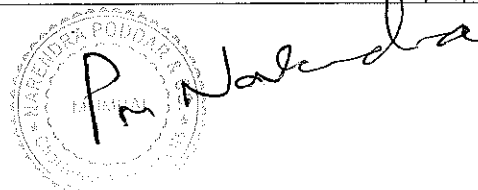
d) Reconciliation of preference shares outstanding at the beginning and at the end of reporting period

Number of Preference Shares

Particulars	AS AT 31-Mar-15	AS AT 30-Sep-13
Opening balance	26,865,574	17,144,439
Issued during the period	-	9,721,135
Closing balance	26,865,574	26,865,574

Amount of Preference Shares

Particulars	AS AT 31-Mar-15 Rupees	AS AT 31-Mar-15 USD	AS AT 30-Sep-13 Rupees	AS AT 30-Sep-13 USD
Opening balance	1,210,142,757	26,865,574	724,802,205	17,144,439
Issued during the period	-	-	485,340,552	9,721,135
Closing balance	1,210,142,757	26,865,574	1,210,142,757	26,865,574

 P. M. Nalanda

## GRABAL ALOK INTERNATIONAL LIMITED

## NOTES TO FINANCIAL STATEMENT FOR THE PERIOD 01 OCTOBER 2013 TO 31 MARCH 2015

## e) Terms/rights attached to preference shares

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

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

- (i) 5,173,887 1% Cumulative Redeemable class A Preference shares issued to Alok Infrastructure Limited (earlier Alok Industries Limited) are redeemable after 10 years from the respective dates of allotments starting from 29 December 2005 to 23 May 2007 with a put and call option given at the end of each year.
- (ii) 7,470,552 1% Cumulative Redeemable class A Preference shares issued to Alok Industries International Limited are redeemable after 10 years from the date of allotment i.e. 09 April 2008 with a put and call option given at the end of each year.
- (iii) 4,500,000 1% Cumulative Redeemable class A Preference shares issued to Alok Industries International Limited are redeemable after 10 years from the date of allotment i.e. 31 March 2010 with a put and call option given at the end of each year.
- (iv) 9,721,135 0% Redeemable class A Preference shares issued to Alok Infrastructure Limited (earlier Alok Industries Limited) are redeemable after 10 years from the date of allotment i.e. 01 July 2012 with a put and call option given at the end of each year and at sole discretion of holding Company.

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

Accordingly, there is no cumulative preference dividend liability on the above cumulative redeemable preference shares ((i) to (iii)) as on 31 March 2015

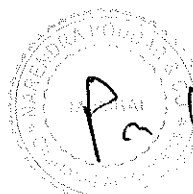
Class B Preference Shares:

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

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

Name of the share holder	AS AT 31-Mar-15		AS AT 30-Sep-13	
	No of shares	%	No of shares	%
Alok Infrastructure Limited	14,895,022	55%	14,895,022	55%
Alok Industries International Limited	11,970,552	45%	11,970,552	45%

PARTICULARS	AS AT	AS AT	AS AT	AS AT
	31-Mar-15	31-Mar-15	30-Sep-13	30-Sep-13
	Rupees	USD	Rupees	USD
<b>4. RESERVES AND SURPLUS</b>				
Foreign currency translation reserve				
Balance as per last Balance Sheet	341,277,353		137,996,800	
Add: During the period	(88,474,158)		203,280,553	
	252,803,195		341,277,353	
Deficit in the Statement of Profit and Loss				
Balance as per last Balance Sheet	(580,351,204)	(11,411,915)	(314,166,397)	(6,660,518)
Add: Loss for the period	(4,430,459,989)	(72,151,936)	(266,184,807)	(4,751,397)
	(5,010,811,193)	(83,563,851)	(580,351,204)	(11,411,915)
<b>TOTAL</b>	<b>(4,758,007,998)</b>	<b>(83,563,851)</b>	<b>(239,073,851)</b>	<b>(11,411,915)</b>
<b>5. LONG-TERM BORROWINGS (Unsecured)</b>				
Compulsorily Convertible Debentures [Refer note below]	3,129,540,000	50,000,000	2,511,080,000	40,000,000
Loans and advances from related party (Refer note no. 16)	1,464,864,487	23,403,831		
<b>TOTAL</b>	<b>4,594,404,487</b>	<b>73,403,831</b>	<b>2,511,080,000</b>	<b>40,000,000</b>
<b>Note:</b>				
During the period Alok Worldwide Limited, a fellow subsidiary has purchased Compulsorily Convertible Debentures which were originally issued on 29 July 2011 to Triumphant Victory Holdings Limited and now are redeemable at the end of five year by bullet repayment as mutually decided between the Company and Alok Worldwide Limited.				
<b>6. SHORT TERM BORROWING (Unsecured)</b>				
Loans and advances from related party (Refer note no. 16)	2,523,779,642	40,321,895	1,088,568,242	17,340,240
Temporary overdrawn bank balance			48,687	776
<b>TOTAL</b>	<b>2,523,779,642</b>	<b>40,321,895</b>	<b>1,088,616,929</b>	<b>17,341,016</b>
<b>7. Trade Payables</b>				
Creditors for services	674,160	10,771	674,160	10,739
<b>TOTAL</b>	<b>674,160</b>	<b>10,771</b>	<b>674,160</b>	<b>10,739</b>

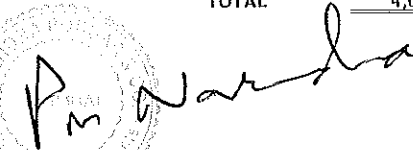
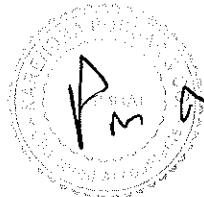




## GRABAL ALOK INTERNATIONAL LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE PERIOD 01 OCTOBER 2013 TO 31 MARCH 2015

PARTICULARS	AS AT 31-Mar-15 Rupees	AS AT 31-Mar-15 USD	AS AT 30-Sep-13 Rupees	AS AT 30-Sep-13 USD
<b>8. Other Current Liabilities</b>				
Current maturities of long term borrowings (Refer note no. 5 above)	-	-	627,770,000	10,000,000
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>627,770,000</b>	<b>10,000,000</b>
<b>9. NON CURRENT INVESTMENTS (at cost)</b>				
<b>(Unquoted) (Trade)</b>				
Investments in Equity Instruments				
276,950,232 Ordinary shares in Grabal Alok (UK) Limited of GBP 0.001 each (Refer note no. 18)	4,080,799,360	65,198,070	4,092,939,240	65,198,070
Less: Provision for diminution in value of investment	(4,080,799,360)	(65,198,070)	-	-
Investments in bonds			4,092,939,240	65,198,070
Compulsorily Convertible Bonds of Alok Industries International Ltd. (Refer note no. 17)	3,536,380,200	56,500,000	873,720,870	13,917,850
<b>TOTAL</b>	<b>3,536,380,200</b>	<b>56,500,000</b>	<b>4,966,660,110</b>	<b>79,115,920</b>
<b>10. LONG TERM LOANS AND ADVANCES</b>				
<b>(Unsecured, considered good)</b>				
Prepaid expenses	-	-	79,498,837	1,266,369
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>79,498,837</b>	<b>1,266,369</b>
<b>11. CASH AND BANK BALANCES</b>				
Balance with bank				
In current accounts	626,000	10,001	1,181,680	18,823
<b>TOTAL</b>	<b>626,000</b>	<b>10,001</b>	<b>1,181,680</b>	<b>18,823</b>
<b>12. SHORT-TERM LOANS AND ADVANCES</b>				
<b>(Unsecured, considered good)</b>				
Loans and advances to related parties (Refer note no. 16)	36,192,739	578,244	133,336,438	2,123,970
Prepaid Expenses	-	-	20,738,821	330,357
<b>TOTAL</b>	<b>36,192,739</b>	<b>578,244</b>	<b>154,075,259</b>	<b>2,454,327</b>
PARTICULARS	18 MONTHS ENDED 31-Mar-15 Rupees	18 MONTHS ENDED 30-Sep-13 USD	18 MONTHS ENDED 30-Sep-13 Rupees	18 MONTHS ENDED 30-Sep-13 USD
<b>13. OTHER INCOME</b>				
Interest income on bank fixed deposits	-	-	3,906,387	69,729
Exchange rate gain (Net)	-	-	74,959	1,339
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>3,981,346</b>	<b>71,068</b>
<b>14. FINANCE COSTS</b>				
Interest expense (Refer note no.16)	227,114,435	3,698,656	239,854,868	4,281,409
Other borrowing costs	198,253,005	3,228,635	29,299,398	522,994
<b>TOTAL</b>	<b>425,367,440</b>	<b>6,927,291</b>	<b>269,154,266</b>	<b>4,804,403</b>
<b>15. OTHER EXPENSES</b>				
Legal and professional fees	301,097	4,904	77,171	1,377
Exchange rate loss (net)	44,037	716	-	-
Provision for diminution in value of investment (Refer note no. 18)	4,003,460,733	65,198,070	-	-
Auditor's remuneration (Including Service Tax)	679,477	11,066	914,989	16,333
Miscellaneous expenses	607,205	9,889	19,727	352
<b>TOTAL</b>	<b>4,005,092,549</b>	<b>65,224,645</b>	<b>1,011,887</b>	<b>18,062</b>

GRABAL ALOK INTERNATIONAL LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE PERIOD 01 OCTOBER 2013 TO 31 MARCH 2015

16. Related Parties Disclosures

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

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

Transaction	In Rupees	In USD
<b>Equity Share Capital</b>		
<b>Alok Infrastructure Limited</b>		
Balance as at 1 October / 1 April	2,205,891 (2,205,891)	50,025 (50,025)
Balance as at period end	2,205,891 (2,205,891)	50,025 (50,025)
<b>Preference Share Capital</b>		
<b>Alok Infrastructure Limited</b>		
Balance as at 1 October / 1 April	708,053,219 (708,053,219)	14,895,022 (14,895,022)
Balance as at period end	708,053,219 (708,053,219)	14,895,022 (14,895,022)
<b>Alok Industries International Limited</b>		
Balance as at 1 October / 1 April	502,089,538 (502,089,538)	11,970,552 (11,970,552)
Balance as at period end	502,089,538 (502,089,538)	11,970,552 (11,970,552)
<b>Short term borrowing</b>		
<b>a) Alok Industries International Limited</b>		
Balance as at 1 October / 1 April	1,087,746,843 (175,452,625)	17,327,156 (3,429,773)
Repaid during the period	(1,146,611)	(20,467)
Translation Difference during the period	7,069,951 (913,440,829)	- (-)
Balance as at period end	1,627,805,132 (1,087,746,843)	26,007,099 (17,327,156)
<b>b) Alok Industries Limited</b>		
Balance as at 1 October / 1 April	821,399 (732,997)	13,084 (13,084)
Received during the period	664,766 (-)	10,826 (-)
Translation difference during the period	675,145 (88,402)	- (-)
Balance as at period end	1,496,544 (821,399)	23,910 (13,084)
<b>c) Triumphant Victory Holdings Limited</b>		
Received during the period	632,785,226 (-)	10,305,178 (-)
Translation difference during the period	12,224,110 (-)	- (-)
Balance as at period end	645,009,336 (-)	10,305,178 (-)
<b>d) Alok Worldwide Limited</b>		
Received during the period	244,740,764 (-)	3,985,708 (-)
Translation difference during the period	4,727,873 (-)	- (-)
Balance as at period end	249,468,637 (-)	3,985,708 (-)

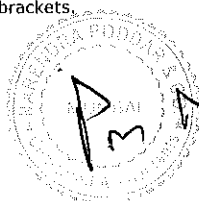


## GRABAL ALOK INTERNATIONAL LIMITED

## NOTES TO FINANCIAL STATEMENT FOR THE PERIOD 01 OCTOBER 2013 TO 31 MARCH 2015

Transaction	In Rupees	In USD
<b>Long term borrowing (including current maturities and short-term borrowings)</b>		
<b>a) Triumphant Victory Holdings Limited</b>		
Balance as at 1 October / 1 April	3,138,850,000	50,000,000
	(2,557,825,000)	(50,000,000)
Received / (repaid) during the period	(3,070,229,482)	(50,000,000)
	(-)	(-)
Translation difference during the period	(68,620,518)	-
	(581,025,000)	(-)
Balance as at period end	(3,138,850,000)	(50,000,000)
<b>b) Alok Worldwide Limited</b>		
Received during the period	4,752,072,884	77,389,539
Translation difference during the period	(1,622,532,884)	-
	(-)	(-)
Balance as at period end	3,129,540,000	77,389,539
	(-)	(-)
<b>Investment</b>		
<b>Grabal Alok (UK) Limited</b>		
Balance as at 1 October / 1 April	4,092,939,241	65,198,070
	(3,335,305,068)	(65,198,070)
Translation difference during the period	(12,139,881)	-
	(757,634,173)	(-)
Balance as at period end	4,080,799,360	65,198,070
	(4,092,939,241)	(65,198,070)
<b>Provision for diminution in investment in Grabal Alok (UK) Limited</b>		
Provided during the period	4,003,460,733	65,198,070
	(-)	(-)
Translation difference during the period	77,338,627	-
	(-)	(-)
Balance as at period end	4,080,799,360	65,198,070
	(-)	(-)
<b>Alok Industries International Limited</b>		
Balance as at 1 October / 1 April	873,720,870	13,917,850
Addition during the period	2,614,739,447	42,582,150
	(779,711,634)	(13,917,850)
Translation difference during the period	47,919,883	-
	(873,720,870)	(-)
Balance as at period end	3,536,380,200	56,500,000
	(873,720,870)	(13,917,850)
<b>Short term loans and advances</b>		
<b>a) Triumphant Victory Holdings Limited</b>		
Balance as at 1 October / 1 April	97,036,030	1,545,726
	(85,866,698)	(1,678,510)
Paid during the period	94,914,671	1,545,726
	(7,438,881)	(132,784)
Translation difference during the period	(2,121,359)	-
	(18,608,213)	(-)
Balance as at period end	(97,036,030)	(1,545,726)
<b>b) Alok Infrastructure Limited</b>		
Balance as at 1 October / 1 April	36,300,408	578,244
	(29,580,939)	(578,244)
Translation difference during the period	(107,669)	-
	(6,719,469)	(-)
Balance as at period end	36,192,739	578,244
	(36,300,408)	(578,244)
<b>Interest Paid</b>		
Triumphant Victory Holdings Limited	81,892,417	1,333,653
	(239,854,868)	(4,281,409)
Alok Worldwide Limited	145,222,018	2,365,003
	(-)	(-)
<b>Borrowing cost</b>		
Triumphant Victory Holdings Limited	687,977	11,204
	(1,538,264)	(27,458)
Alok Worldwide Limited	99,518,732	1,620,705
	(-)	(-)

Note : Figures of previous period are given in brackets.



*M. Nataraja*

**GRABAL ALOK INTERNATIONAL LIMITED**

**NOTES TO FINANCIAL STATEMENT FOR THE PERIOD 01 OCTOBER 2013 TO 31 MARCH 2015**

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

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

As at period end, the Company purchased bonds amounting to USD 56,500,000 (previous period USD 13,917,850) [Rs. 3,536,380,200 (previous period Rs. 873,720,869)].

18. The Company has equity exposure of USD 65,198,070 (Rs 4,080,799,360) in Grabal Alok (UK) Ltd ("GA UK"), an associate company, which runs a chain of value format clothing stores under the brand "Store Twenty One" across UK, Scotland and Wales.

The management of Alok Industries Ltd ("Holding company") is considering exiting this business since the group's efforts in revamping the business have not made much headway primarily due to economic downturn in the UK economy. At the same time, GA UK, with support from the holding company is working on plans / options to turnaround this company and with a visible revival of the UK economy, believes that there is significant value which can be realised. Further, the Holding Company management, in the process of assessing the recoverability of goodwill on consolidation relating to GA UK appearing in their balance sheet, got in to certain early stage negotiations with potential buyers which indicates a recoverable value of approximately Rs 427 crores.

The management of this company has out of abundant precaution recognised 100% diminution in the financial statements. The Company has recognised "other than temporary" diminution in investments of USD 65,198,070 (Rs 4,080,799,360) .

**19. Segment Reporting**

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

**20. Earnings per share**

Particulars	18 months ended 31-Mar-15		18 months ended 30-Sept-13	
	Rupees	USD	Rupees	USD
Net Loss for the period	(4,430,459,989)	(72,151,936)	(266,184,807)	(4,751,397)
Add: Arrears of Cumulative Preference Dividend (refer note 3(e))	-	-	-	-
Net Loss available for equity share holders	(4,430,459,989)	(72,151,936)	(266,184,807)	(4,751,397)
Weighted average number of equity shares (Nos.)	50,025	50,025	50,025	50,025
Nominal Value of equity share	N.A.	1.00	N.A.	1.00
Basic and Diluted Earnings per share (not annualised)	(88,564.92)	(1,442.32)	(5,321.04)	(94.98)

**21. Expenditure in Foreign Currency**

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

22. The information contained in the financial statements for the period ended 31 March 2015, disclosed in US dollars is extracted from the books of accounts locally maintained and converted into Indian Rupees as disclosed under basis of preparation stated above and the amounts in Balance Sheet, Statement of Profit and Loss and cash flow statement are rounded off to the nearest Rupee / USD. Previous period 's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.
23. The Company has extended its accounting year end from 31 March 2014 to 31 March 2015. Accordingly, figures for the current period are for a period of 18 months from 1 October 2013 to 31 March 2015. Figures for the previous period are for a period of 18 months from 01 April 2012 to 30 September 2013.

Signatures to notes 1 to 23

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

Dilip B. Jiwrajka  
Director

Surendra B. Jiwrajka  
Director