

Date .....

## INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. ALOK INTERNATIONAL INC.

### Report on the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone financial statements of **M/s. Alok International Inc. ("the Company")** which comprises the Balance Sheet as at **March 31, 2021**, the Statement of Profit and Loss, (statement of changes in equity), and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **March 31, 2021**, and its Profit, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Responsibility of Management for the Standalone Financial Statements

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



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### **Other Matter**

The company is not having any branch.

#### **Report on Other Legal and Regulatory Requirements**

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

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

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

- a. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- b. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- c. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d. On the basis of the written representations received from the directors as on **31st March, 2021** taken on record by the Board of Directors, none of the directors is disqualified as on **31st March, 2021** from being appointed as a director in terms of Section 164 (2) of the Act.
- e. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



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

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

*Nr Narendra*



Narendra Poddar, Proprietor  
Membership No. 041256  
Mumbai, 15<sup>th</sup> April 2021



**"Annexure A" to the Independent Auditor's Report of even date on the Financial Statements of ALOK INTERNATIONAL INC.**

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

We have audited the internal financial controls over financial reporting of **ALOK INTERNATIONAL INC.** ("the Company") as of **March 31, 2021** in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error

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



## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over

ALOK INTERNATIONAL INC.

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **March 31, 2021**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

*P. M. Narendra*



Narendra Poddar, Proprietor  
Membership No. 041256  
Mumbai, 15<sup>th</sup> April 2021



## BALANCE SHEET AS AT 31 MARCH 2021

| PARTICULARS                         | NOTES | AS AT<br>31-Mar-2021<br>Rupees | AS AT<br>31-Mar-2021<br>USD | AS AT<br>31-Mar-2020<br>Rupees | AS AT<br>31-Mar-2020<br>USD |
|-------------------------------------|-------|--------------------------------|-----------------------------|--------------------------------|-----------------------------|
| <b>ASSETS</b>                       |       |                                |                             |                                |                             |
| 1) <b>Current Assets</b>            |       |                                |                             |                                |                             |
| a) Financial assets                 |       |                                |                             |                                |                             |
| (i) Trade receivables               | 2     | -                              | -                           | -                              | -                           |
| (ii) Cash & Cash Equivalents        | 3     | 1,442,846                      | 19,632                      | -                              | (0)                         |
| (ii) Short-term Loans & Advances    | 4     | 227,716,679                    | 3,097,988                   | 233,544,614                    | 3,097,988                   |
| b) Other Current Assets             | 5     | 603,473                        | 8,210                       | 618,918                        | 8,210                       |
|                                     |       | <b>229,762,998</b>             | <b>3,125,830</b>            | <b>234,163,532</b>             | <b>3,106,198</b>            |
| <b>TOTAL ASSETS</b>                 |       | <b>229,762,998</b>             | <b>3,125,830</b>            | <b>234,163,532</b>             | <b>3,106,198</b>            |
| <b>EQUITY AND LIABILITIES</b>       |       |                                |                             |                                |                             |
| <b>Equity</b>                       |       |                                |                             |                                |                             |
| <b>Shareholders' Funds</b>          |       |                                |                             |                                |                             |
| a) Share Capital                    | 6     | 43,225                         | 1,000                       | 43,225                         | 1,000                       |
| b) Other equity                     | 7     | (4,326,595,104)                | (57,557,946)                | (4,338,809,148)                | (57,558,296)                |
|                                     |       | <b>(4,326,551,879)</b>         | <b>(57,556,946)</b>         | <b>(4,338,765,923)</b>         | <b>(57,557,296)</b>         |
| <b>LIABILITIES</b>                  |       |                                |                             |                                |                             |
| 1) <b>Non-current Liabilities</b>   |       |                                |                             |                                |                             |
| a) Financial liabilities            |       |                                |                             |                                |                             |
| Borrowings                          | 8     | 4,045,919                      | 55,043                      | 4,149,466                      | 55,043                      |
| 2) <b>Current Liabilities</b>       |       |                                |                             |                                |                             |
| a) Financial liabilities            |       |                                |                             |                                |                             |
| (i) Trade payables                  | 9     | 715,778,879                    | 9,740,506                   | 716,098,053                    | 9,502,317                   |
| b) Other current liabilities        | 10    | 3,816,042,257                  | 50,609,044                  | 3,831,710,795                  | 50,827,951                  |
| c) Other financial liabilities      | 11    | 20,447,821                     | 278,184                     | 20,971,141                     | 278,184                     |
| <b>TOTAL</b>                        |       | <b>4,556,314,876</b>           | <b>60,682,777</b>           | <b>4,572,929,455</b>           | <b>60,663,494</b>           |
| <b>TOTAL EQUITY AND LIABILITIES</b> |       | <b>229,762,998</b>             | <b>3,125,830</b>            | <b>234,163,532</b>             | <b>3,106,198</b>            |

Significant accounting policies and accompanying notes forming part of the financial statements 1 to 21

As per our report of even date

**For Narendra Poddar & Co.**

Chartered Accountants

FRN No. 106915W

*Pm Narendra*

**Narendra Poddar, Proprietor**

Membership No. 041256



For and on behalf of the Board

*[Signature]*

Director  
DIN :

Director  
DIN :

Mumbai, 15th April 2021

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

| PARTICULARS  | NOTES | Year ended 31-MAR-2021 |            | Year ended 31-Mar-2020 |                    |
|--|-------|------------------------|------------|------------------------|--------------------|
|  |       | Rupees                 | USD        | Rupees                 | USD                |
| <b>REVENUE</b>   |       |                        |            |                        |                    |
| Revenue from Operations (net)                              |       | -                      | -          | -                      | -                  |
| <b>Revenue from Operations</b>                             |       | -                      | -          | -                      | -                  |
| Other Income   | 12    | 36,749                 | 500        | -                      | -                  |
| <b>Total Revenue</b>                                       |       | <b>36,749</b>          | <b>500</b> | <b>-</b>               | <b>-</b>           |
| <b>EXPENSES</b>  |       |                        |            |                        |                    |
| Purchase of Traded goods                                   |       | -                      | -          | -                      | -                  |
| Change in inventories of Traded Goods                      | 13    | -                      | -          | -                      | -                  |
| Cost of Materials consumed                                 |       | -                      | -          | -                      | -                  |
| Employee benefits expense                                  | 14    | -                      | -          | -                      | -                  |
| Finance costs  | 13    | 11,110                 | 150        | -                      | -                  |
| Depreciation and Amortisation expense                      |       | -                      | -          | -                      | -                  |
| Other expenses   | 14    | -                      | -          | 211,274,907            | 2,856,511          |
| <b>Total Expenses</b>                                      |       | <b>11,110</b>          | <b>150</b> | <b>211,274,907</b>     | <b>2,856,511</b>   |
| Profit/(Loss) before tax from continuing operations        |       | <b>25,639</b>          | <b>350</b> | <b>(211,274,907)</b>   | <b>(2,856,511)</b> |
| <b>Tax expenses:</b>                                       |       |                        |            |                        |                    |
| Current tax  |       | -                      | -          | -                      | -                  |
| - Deferred tax   |       | -                      | -          | -                      | -                  |
| <b>Total Tax Expenses</b>                                  |       | <b>-</b>               | <b>-</b>   | <b>-</b>               | <b>-</b>           |
| <b>PROFIT/(LOSS) FROM CONTINUING OPERATIONS (VII-VIII)</b> |       | <b>25,639</b>          | <b>350</b> | <b>(211,274,907)</b>   | <b>(2,856,511)</b> |
| <b>Other Comprehensive Income</b>                          |       |                        |            |                        |                    |
| Net Gain/(Loss) on translation                             |       | 12,188,405             | -          | (622,832,715)          | -                  |
| <b>Net loss for the period</b>                             |       | <b>12,214,044</b>      | <b>350</b> | <b>(834,107,621)</b>   | <b>(2,856,511)</b> |
| <b>EARNINGS PER SHARE</b>                                  |       |                        |            |                        |                    |
| Basic and Diluted (not annualised)                         | 18    | 12,214.04              | 0.35       | (834,107.62)           | (2,856.51)         |

Significant accounting policies and accompanying notes forming part of the financial statements

1 to 21

As per our report of even date

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

Narendra Poddar, Proprietor  
Membership No. 041256



For and on behalf of the Board

  
Director  
DIN:

Director  
DIN:

Mumbai, 15th April 2021

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

|   | Year ended 31-MAR-2021 |               | Year ended 31-MAR-2020 |                    |
|---|------------------------|---------------|------------------------|--------------------|
|   | Rupees                 | USD           | Rupees                 | USD                |
| <b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>                         |                        |               |                        |                    |
| Profit / (loss) before Tax  | 12,214,044             | 350           | (834,054,855)          | (2,856,511)        |
| <b>Adjustments for :</b>  |                        |               |                        |                    |
| Provision for Doubtful debts / advances                               | -                      | -             | -                      | -                  |
| Diminution in value of investment                                     | -                      | -             | -                      | -                  |
| Provision for impairment of fixed assets and intangibles              | -                      | -             | -                      | -                  |
| <b>Operating Profit before working capital changes</b>                | <b>12,214,044</b>      | <b>350</b>    | <b>(834,054,855)</b>   | <b>(2,856,511)</b> |
| <b>Adjustments for :</b>  |                        |               |                        |                    |
| Increase / (Decrease) in Current Liabilities                          | (16,542,739)           | 19,282        | 482,387,544            | 1,206,994          |
| Increase / (Decrease) in Trade receivables                            | -                      | -             | -                      | -                  |
| Increase / (Decrease) in Loans & Advances                             | 5,843,380              | -             | 351,325,241            | 1,649,517          |
| <b>Cash (used in) / generated from operations</b>                     | <b>1,514,684</b>       | <b>19,632</b> | <b>(342,070)</b>       | <b>-</b>           |
| Income Tax Paid   | -                      | -             | -                      | -                  |
| <b>A) Net cash (used in) / generated from operating activities</b>    | <b>1,514,684</b>       | <b>19,632</b> | <b>(342,070)</b>       | <b>-</b>           |
| <b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>                         |                        |               |                        |                    |
| Purchase of Fixed Assets  | -                      | -             | -                      | -                  |
| Purchase of Investments   | -                      | -             | -                      | -                  |
| <b>B) Net cash used in investing activities</b>                       | <b>-</b>               | <b>-</b>      | <b>-</b>               | <b>-</b>           |
| <b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>                         |                        |               |                        |                    |
| Proceeds from long term borrowing (net)                               | (103,547)              | -             | 342,070                | -                  |
| <b>C) Net cash generated from / (used in) financing activities</b>    | <b>(103,547)</b>       | <b>-</b>      | <b>342,070</b>         | <b>-</b>           |
| <b>Net (decrease) / increase in Cash and Cash equivalents (A+B+C)</b> | <b>1,411,138</b>       | <b>19,632</b> | <b>-</b>               | <b>-</b>           |
| <b>Cash and Cash equivalents at the beginning of the period</b>       | <b>-</b>               | <b>-</b>      | <b>-</b>               | <b>-</b>           |
| <b>Cash and Cash equivalents at the end of the period</b>             | <b>1,411,138</b>       | <b>19,632</b> | <b>-</b>               | <b>-</b>           |

## NOTES TO CASH FLOW STATEMENT

- The Cash Flow Statement has been prepared in accordance with the requirements of Indian Accounting Standard (AS) 7 "Statement of Cash Flows".
- Previous period's figures have been regrouped/reclassified wherever necessary.

As per our report of even date

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

Narendra Poddar, Proprietor  
Membership No. 041256



For and on behalf of the Board

  
Director  
DIN:

Director  
DIN:

Mumbai, 15th April 2021



**BACKGROUND**

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.

**1. SIGNIFICANT ACCOUNTING POLICIES****(i) First time adoption of Indian Accounting Standards (Ind-AS)**

The company has adopted Ind-AS, in accordance with Notification dated February 16, 2015 issued by Ministry of Corporate Affairs, Government of India, with effect from April 01, 2016 with a transition date of April 01, 2015.

**(ii) Basis of Preparation of Financial Statements**

a) The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs, Government of India vide Notification dated February 16, 2015. Accounting policies have been applied consistently to all periods presented in these financial statements. The Financial Statements are prepared under historical cost convention from the books of accounts maintained under accrual basis except for certain financial instruments which are measured at fair value and in accordance with the Indian Accounting Standards prescribed under the Companies Act, 2013.

The Financial Statements up to the year ended March 31, 2016 were 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 the holding company, Alok Industries Limited.

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

The accounts are maintained in United State Dollar (USD) being currency of State of Texas (USA). 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.

**(iii) 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.

**(iv) Revenue recognition**

- Revenue from sale of goods is recognised on delivery of the product, when all significant contractual obligations have been satisfied, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained by the Company. Revenue from sale of goods is recognised net of rebates and discounts.
- Revenue from marketing service charges is recognised on rendering of the related services in accordance with the terms of the agreement.

**(v) Inventory**

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

**(vi) 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.

**(vii) 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.

**(viii) 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 disclosed by way of Notes to the financial statements. Disclosure is not made if the possibility of an outflow of future economic benefit is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

**(ix) Fixed Assets****a) Tangible assets:**

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation and impairment losses. Costs of acquisition comprise all costs incurred to bring the assets to their location and working condition up to the date the assets are put to use. Costs of construction are composed of those costs that relate directly to specific assets and those that are attributable to the construction activity in general and can be allocated to specific assets up to the date the assets are put to use.

**b) Intangible assets:**

Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment losses.

**(x) Cash Flow Statement**

The Cash Flow Statement is prepared using the "indirect method" set out in Indian Accounting Standard (IND AS-7) "Statement of cash Flows" 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.

**(xi) Depreciation**

Depreciation on Fixed Assets is provided, pro-rata for the period of use, on Straight Line Method at the rates and in the manner specified in Schedule II to the Companies Act, 2013. Continuous process plant is classified based on technical assessment and depreciation is provided accordingly. 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. Assets costing less than Rs 5,000/- are fully depreciated in the year of purchase.

**(xii) Employee Benefits****a) Defined Contribution Plan**

There are no defined contribution plans of the Company

**b) Defined Benefit Plan**

The Company provides for Gratuity and Compensated absences on the basis of gross salary as per laws in USA. The defined benefit plans are not funded.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

| PARTICULARS  | AS AT<br>31-Mar-21<br>Rupees | AS AT<br>31-Mar-21<br>USD | AS AT<br>31-Mar-20<br>Rupees | AS AT<br>31-Mar-20<br>USD |
|--|------------------------------|---------------------------|------------------------------|---------------------------|
| <b>2. TRADE RECEIVABLES (Unsecured)</b>                              |                              |                           |                              |                           |
| Other debts  | 166,588,930                  | 2,266,371                 | 170,852,427                  | 2,266,371                 |
| Less : Provision   | 166,588,930                  | 2,266,371                 | 170,852,427                  | 2,266,371                 |
|  | -                            | -                         | -                            | -                         |
| <b>TOTAL</b>   | <b>-</b>                     | <b>-</b>                  | <b>-</b>                     | <b>-</b>                  |
| <b>3. CASH &amp; CASH EQUIVALENTS</b>                                |                              |                           |                              |                           |
| Cash & Cash Equivalents  |                              |                           |                              |                           |
| Balance with Bank  | 1,442,846                    | 19,631.90                 | -                            | (0)                       |
| <b>TOTAL</b>   | <b>1,442,846</b>             | <b>19,632</b>             | <b>-</b>                     | <b>(0)</b>                |
| <b>4. SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good)</b> |                              |                           |                              |                           |
| Loans & advances to Related parties                                  | 227,716,679                  | 3,097,988                 | 233,544,614                  | 3,097,988                 |
| Others   | -                            | -                         | -                            | -                         |
| Advance to Staff   | -                            | -                         | -                            | -                         |
| Other current financial assets                                       | -                            | -                         | -                            | -                         |
| <b>TOTAL</b>   | <b>227,716,679</b>           | <b>3,097,988</b>          | <b>233,544,614</b>           | <b>3,097,988</b>          |
| <b>5. OTHER CURRENT ASSETS</b>                                       |                              |                           |                              |                           |
| Prepaid Expenses   | -                            | -                         | -                            | -                         |
| Advance to vendors   | (0)                          | (0)                       | (0)                          | (0)                       |
| Advance to Others  | -                            | -                         | -                            | -                         |
| Lease & Security Deposit   | 603,474                      | 8,210                     | 618,918                      | 8,210                     |
| <b>TOTAL</b>   | <b>603,473</b>               | <b>8,210</b>              | <b>618,918</b>               | <b>8,210</b>              |

## ALOK INTERNATIONAL INC.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

| PARTICULARS  | AS AT<br>31-Mar-21<br>Rupees | AS AT<br>31-Mar-21<br>USD | AS AT<br>31-Mar-20<br>Rupees | AS AT<br>31-Mar-20<br>USD |
|--|------------------------------|---------------------------|------------------------------|---------------------------|
| <b>6. SHARE CAPITAL</b>  |                              |                           |                              |                           |
| <b>(a) Authorised Shares</b>   |                              |                           |                              |                           |
| 1,000,000 Common Shares of USD 1/- each                              | 43,225,000                   | 1,000,000                 | 43,225,000                   | 1,000,000                 |
|  | <b>43,225,000</b>            | <b>1,000,000</b>          | <b>43,225,000</b>            | <b>1,000,000</b>          |
| <b>(b) Issued, Subscribed and fully paid-up Equity Share Capital</b> |                              |                           |                              |                           |
| 1,000 Common Shares of USD 1/- each fully paid                       | 43,225                       | 1,000                     | 43,225                       | 1,000                     |
| <b>TOTAL</b>   | <b>43,225</b>                | <b>1,000</b>              | <b>43,225</b>                | <b>1,000</b>              |

## 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.

**7. RESERVES AND SURPLUS****(Deficit)/Surplus in the Statement of Profit and Loss**

|  |                        |                     |                        |                     |
|--|------------------------|---------------------|------------------------|---------------------|
| Balance brought forward from previous period/year    | (3,841,227,208)        | (57,558,296)        | (3,629,952,302)        | (54,701,785)        |
| Profit / (Loss) for the period                       | 25,639                 | 350                 | (211,274,907)          | (2,856,511)         |
|  | (3,841,201,569)        | (57,557,946)        | (3,841,227,208)        | (57,558,296)        |
| Foreign Currency Translation Reserve opening balance | (497,581,939)          | -                   | 125,250,775            | -                   |
| Add: Transferred from statement of Profit and Loss   | 12,188,405             | -                   | (622,832,715)          | -                   |
|  | (485,393,534)          | -                   | (497,581,939)          | -                   |
| <b>TOTAL</b>   | <b>(4,326,595,104)</b> | <b>(57,557,946)</b> | <b>(4,338,809,148)</b> | <b>(57,558,296)</b> |

**8. LONG-TERM BORROWINGS**

|                                   |           |        |           |        |
|-----------------------------------|-----------|--------|-----------|--------|
| Term loan from Bank               |           |        |           |        |
| Vehicle loan from Banks (Secured) | 4,045,919 | 55,043 | 4,149,466 | 55,043 |



|     |                                     |              |                      |                   |                      |                   |
|-----|-------------------------------------|--------------|----------------------|-------------------|----------------------|-------------------|
| 9.  | <b>TRADE PAYABLES</b>               | <b>TOTAL</b> | <b>4,045,919</b>     | <b>55,043</b>     | <b>4,149,466</b>     | <b>55,043</b>     |
|     | Total Outstanding due to:           |              |                      |                   |                      |                   |
|     | Creditors for supplies / services   |              | 715,778,879          | 9,740,506         | 716,098,053          | 9,502,317         |
|     |                                     | <b>TOTAL</b> | <b>715,778,879</b>   | <b>9,740,506</b>  | <b>716,098,053</b>   | <b>9,502,317</b>  |
| 10. | <b>OTHER CURRENT LIABILITIES</b>    |              |                      |                   |                      |                   |
|     | Advance from customers              |              | 2,517,651            | 34,252            | 2,582,085            | 34,252            |
|     | Creditors for statutory liabilities |              | (137,580)            | (1,872)           | (141,101)            | (1,872)           |
|     | Advance from Related party          |              | 3,813,662,186        | 50,576,664        | 3,829,269,810        | 50,795,571        |
|     |                                     | <b>TOTAL</b> | <b>3,816,042,257</b> | <b>50,609,044</b> | <b>3,831,710,795</b> | <b>50,827,951</b> |
| 11. | <b>OTHER FINANCIAL LIABILITIES</b>  |              |                      |                   |                      |                   |
|     | Capital Business Redit LLC          |              | 20,447.821           | 278,184           | 20,971.141           | 278,184           |
|     |                                     | <b>TOTAL</b> | <b>20,447,821</b>    | <b>278,184</b>    | <b>20,971,141</b>    | <b>278,184</b>    |





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

| PARTICULARS  | Year ended 31-MAR-2021 |            | Year ended 31-Mar-2020 |                  |
|--|------------------------|------------|------------------------|------------------|
|  | Rupees                 | USD        | Rupees                 | USD              |
| <b>12. OTHER INCOME</b>                                  |                        |            |                        |                  |
| Net gain/loss in investments                             |                        |            |                        |                  |
| Other non operating Income                               |                        |            |                        |                  |
| Provision for doubtful debts written back                | -                      | -          | -                      | -                |
| Rent income  | 36,749                 | 500        | -                      | -                |
| Misc income  | -                      | -          | -                      | -                |
| <b>TOTAL</b>   | <b>36,749</b>          | <b>500</b> | <b>-</b>               | <b>-</b>         |
| <b>13. FINANCE COSTS</b>                                 |                        |            |                        |                  |
| Bank Charges   | 11,110                 | 150        | -                      | -                |
| <b>TOTAL</b>   | <b>11,110</b>          | <b>150</b> | <b>-</b>               | <b>-</b>         |
| <b>14. OTHER EXPENSES</b>                                |                        |            |                        |                  |
| Legal and Professional charges                           | -                      | -          | -                      | -                |
| Office rent  | -                      | -          | 87,163,805             | 1,206,994        |
| Sundry Balance written off                               | -                      | -          | 124,111,102            | 1,649,517        |
| Provision for Doubtful Debts                             | -                      | -          | -                      | -                |
| Provision for impairment of fixed assets and intangibles | -                      | -          | -                      | -                |
| <b>TOTAL</b>   | <b>-</b>               | <b>-</b>   | <b>211,274,907</b>     | <b>2,856,511</b> |



**15 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 |
| Alok International (Middle East) FZE  | Fellow Subsidiary |
| Grabal Alok (UK) Limited              | Fellow Subsidiary |

**(ii) Nature of transactions**

| Transaction  | Holding Company                  |                            | Fellow Subsidiary            |                          | Total                            |                            |
|--|----------------------------------|----------------------------|------------------------------|--------------------------|----------------------------------|----------------------------|
|  | In Rupees                        | In USD                     | In Rupees                    | In USD                   | In Rupees                        | In USD                     |
| <b>Equity Share Capital</b>  |                                  |                            |                              |                          |                                  |                            |
| Balance as at 31st March   | 43,225<br>(43,225)               | 1,000<br>(1,000)           | -<br>(-)                     | -<br>(-)                 | 43,225<br>(43,225)               | 1,000<br>(1,000)           |
| <b>Trade Payable</b>   |                                  |                            |                              |                          |                                  |                            |
| Balance as at 31st March   | 32,220,583<br>(33,045,202)       | 438,347<br>(438,347)       | -<br>(-)                     | -<br>(-)                 | 32,220,583<br>(33,045,202)       | 438,347<br>(438,347)       |
| <b>Short term borrowing &amp; Other current liability</b>          |                                  |                            |                              |                          |                                  |                            |
| Balance as at 31st March   | 3,387,628,945<br>(3,392,333,134) | 44,780,664<br>(44,999,571) | 426,033,241<br>(436,936,676) | 5,796,000<br>(5,796,000) | 3,813,662,186<br>(3,829,269,810) | 50,576,664<br>(50,795,571) |
| <b>Short term Loans and Advances</b>                               |                                  |                            |                              |                          |                                  |                            |
| <b>Loans &amp; advances (Alok Singapore Pte Ltd)</b>               |                                  |                            |                              |                          |                                  |                            |
| Balance as at 31st March   | -<br>(-)                         | -<br>(-)                   | 16,758,190<br>(17,187,081)   | 227,988<br>(227,988)     | 16,758,190<br>(17,187,081)       | 227,988<br>(227,988)       |
| <b>Loans &amp; advances (Grabal Alok (UK) Limited)</b>             |                                  |                            |                              |                          |                                  |                            |
| Balance as at 31st March   | -<br>(-)                         | -<br>(-)                   | -<br>(-)                     | -<br>(-)                 | -<br>(-)                         | -<br>(-)                   |
| <b>Loans &amp; advances (Alok International (Middle East) FZE)</b> |                                  |                            |                              |                          |                                  |                            |
| Balance as at 31st March   | -<br>(-)                         | -<br>(-)                   | 210,958,489<br>(216,357,533) | 2,870,000<br>(2,870,000) | 210,958,489<br>(216,357,533)     | 2,870,000<br>(2,870,000)   |

Note:

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAR 2021

**16 Impact of COVID - 19 :**

The outbreak of Coronavirus (COVID -19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc.

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

**17 Segment Reporting**

The Company trades in textile products purchased from the holding company in the United States of America (USA) and have also earned income on account of recovery of cost, which is incidental to trading activities. In the opinion of the company, the company has only one reportable segment i.e. "Trading".

**18 Earnings per share (EPS)**

| PARTICULARS                              | Year ended 31-Mar-2021 |       | Year ended 31-Mar-2020 |             |
|--|------------------------|-------|------------------------|-------------|
|  | Rupees                 | USD   | Rupees                 |             |
| Net Profit / (Loss) for the period       | 12,214,044             | 350   | (834,107,621)          | (2,856,511) |
| 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     | 12,214.04              | 0.35  | (834,107.62)           | (2,856.51)  |

**19 Expenditure in Foreign Currency**

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

**20** The balances of debtors, creditors and loans and advances are subject to confirmation, reconciliation.**21** The information contained in the financial statements for the year ended 31st March 2021 disclosed in US dollar is extracted from the books of accounts locally maintained and converted into Indian Rupees as disclosed under 'basis of preparation' stated above. The amounts in Balance Sheet, Statement of Profit and Loss and cash flow statement are rounded off to the nearest Rupee / USD. Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.

Signatures to notes 1 to 21

As per our report of even date

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

**Narendra Poddar, Proprietor**  
Membership No. 041256

Mumbai, 15th April 2021



For and on behalf of the Board



Director  
DIN:

Director  
DIN: