INDEPENDENT AUDITOR’S REPORT

To the Members of ALOK INDUSTRIES INTERNATIONAL LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of ALOK INDUSTRIES INTERNATIONAL LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, 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.
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 2018, and its loss and its cash flows for the period from April 01, 2017 to March 31, 2018.

Report on Other Legal and Regulatory Requirements

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

8. 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, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.

f) 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"

g) 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. 041256
Mumbai, 16th July, 2018
"Annexure A" to the Independent Auditor’s Report of even date on the Financial Statements of ALOK INDUSTRIES INTERNATIONAL LIMITED

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 INDUSTRIES INTERNATIONAL LIMITED (“the Company”) as of March 31, 2018 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 financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in
ALOK INDUSTRIES INTERNATIONAL LIMITED

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, 2018 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

Narendra Poddar, Proprietor
Membership No. 041256
Mumbai – 16th July, 2018
# Alok Industries International Limited

## Balance Sheet as at 31 Mar 2018

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) NON-CURRENT ASSETS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Investments</td>
<td>3</td>
<td>68,04,70,945</td>
<td>1,04,61,686</td>
<td>2,85,55,35,251</td>
<td>4,40,40,668</td>
</tr>
<tr>
<td>b) Other Non Current Assets</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>99,95,951</td>
<td>1,54,167</td>
</tr>
<tr>
<td>(2) CURRENT ASSETS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Cash and cash equivalents</td>
<td>5</td>
<td>4,057</td>
<td>62</td>
<td>4,044</td>
<td>62</td>
</tr>
<tr>
<td>ii) Loans</td>
<td>6</td>
<td>95,71,32,584</td>
<td>1,46,72,086</td>
<td>1,99,09,95,682</td>
<td>3,07,06,951</td>
</tr>
<tr>
<td>b) Other Current Assets</td>
<td>7</td>
<td>-</td>
<td>-</td>
<td>2,99,87,853</td>
<td>4,62,500</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>1,63,76,07,586</td>
<td>2,51,33,834</td>
<td>4,88,65,18,781</td>
<td>7,53,64,348</td>
</tr>
</tbody>
</table>

| **LIABILITIES** |       |                        |                     |                        |                     |
| (1) EQUITY |       |                        |                     |                        |                     |
| a) Equity Share capital | 8 | 22,13,940               | 50,000              | 22,13,940             | 50,000              |
| b) Other Equity | 9 | (16,67,56,43,319)       | (25,64,27,663)      | (13,25,21,12,833)     | (20,44,02,020)      |
|                |       | (16,73,42,379)         | (25,63,77,663)      | (13,24,98,98,893)     | (20,43,52,020)      |
| (2) NON-CURRENT LIABILITIES |       |                        |                     |                        |                     |
| a) Financial liabilities |       |                        |                     |                        |                     |
|   i) Borrowings | 10 | 6,49,88,45,949         | 9,99,14,457         | 6,36,38,87,399        | 9,81,49,673         |
| (3) CURRENT LIABILITIES |       |                        |                     |                        |                     |
| a) Financial liabilities |       |                        |                     |                        |                     |
|   i) Borrowing | 11 | 8,23,30,88,519         | 12,65,71,257        | 8,20,66,99,868        | 12,65,71,208        |
|   ii) Trade payables | 12 | 1,78,936               | 2,751               | 2,55,228              | 3,936               |
|   iii) Other Financial Liability | 13 | 2,50,41,97,850       | 3,85,00,000         | 2,49,62,86,100        | 3,85,00,000         |
| b) Other current liabilities | 14 | 1,07,47,25,711       | 1,65,73,032         | 1,06,92,89,079        | 1,64,91,551         |
| **TOTAL** |       | 1,63,76,07,586         | 2,51,33,834         | 4,88,65,18,781        | 7,53,64,348         |

Notes forming part of the financial statements 1 to 30

As per our report of even date

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

For and on behalf of the Board

Director

Narendra Poddar, Proprietor
Membership No. 041256

Mumbai, 16th July, 2018
ALOK INDUSTRIES INTERNATIONAL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2018

<table>
<thead>
<tr>
<th>PARTICULARS</th>
<th>NOTES</th>
<th>12 MONTHS ENDED 31-MAR-18</th>
<th>12 MONTHS ENDED 31-MAR-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Rupees</td>
<td>USD</td>
</tr>
<tr>
<td>I INCOME</td>
<td>15</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Other income</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>II TOTAL</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>III EXPENSES</td>
<td>16</td>
<td>13,62,89,514</td>
<td>21,14,740</td>
</tr>
<tr>
<td>Finance cost</td>
<td></td>
<td>4,99,10,903</td>
<td>1,90,29,696</td>
</tr>
<tr>
<td>Other expenses</td>
<td>17</td>
<td>3,21,66,28,237</td>
<td>4,99,10,903</td>
</tr>
<tr>
<td>IV TOTAL</td>
<td></td>
<td>3,35,29,17,751</td>
<td>5,20,25,643</td>
</tr>
<tr>
<td>V NET LOSS FOR THE PERIOD (II-III)</td>
<td></td>
<td>(3,35,29,17,751)</td>
<td>(5,20,25,643)</td>
</tr>
<tr>
<td>VI OTHER COMPREHENSIVE INCOME</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>(i) Items that will not be reclassified to profit or loss</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>(ii) Income tax relating to items that will not be reclassified to profit or loss</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>B (i) Items that will be reclassified to profit or loss</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>- Net exchange Profit/Loss on translation</td>
<td></td>
<td>(5,01,91,777.00)</td>
<td>-</td>
</tr>
<tr>
<td>(ii) Income tax relating to items that will be reclassified to profit or loss</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>V LOSS FOR THE PERIOD (II-IV)</td>
<td></td>
<td>(3,40,31,09,528)</td>
<td>(5,20,25,643)</td>
</tr>
<tr>
<td>VI EARNINGS PER SHARE (FOR CONTINUING OPERATIONS)</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Basic</td>
<td></td>
<td>(67,058.36)</td>
<td>(1,040.51)</td>
</tr>
<tr>
<td>Diluted</td>
<td></td>
<td>(67,058.36)</td>
<td>(1,040.51)</td>
</tr>
</tbody>
</table>

Notes forming part of the financial statements 1 to 30

As per our report of even date

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

For and on behalf of the Board

Narendra Poddar, Proprietor
Membership No. 041256
Mumbai, 16th July, 2018
A) CASH FLOW FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Rupees</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss for the period</td>
<td>(3,35,29,17,751)</td>
<td>(18,06,29,677)</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealised exchange (gain)/loss</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Finance Cost</td>
<td>13,62,89,514</td>
<td>21,14,740</td>
</tr>
<tr>
<td>Provision for diminution in the value of investments</td>
<td>2,16,40,78,535</td>
<td>3,35,78,582</td>
</tr>
<tr>
<td>Discount on Compulsorily Convertible Bonds</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operating (loss) / profit before working capital changes</td>
<td>(1,05,25,49,902)</td>
<td>(1,63,31,021)</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease in current liabilities</td>
<td>19,52,499</td>
<td>30,296</td>
</tr>
<tr>
<td>Increase in loans and advances</td>
<td>1,07,31,48,068</td>
<td>1,66,51,532</td>
</tr>
<tr>
<td>Net cash generated / (used) in operating activities (A)</td>
<td>2,25,50,664</td>
<td>3,49,997</td>
</tr>
</tbody>
</table>

B) CASH FLOW FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Rupees</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of investments</td>
<td>-</td>
<td>85,28,03,458</td>
</tr>
<tr>
<td>Sale of investment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest received</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net cash generated / (used) in investing activities (B)</td>
<td>-</td>
<td>85,28,03,458</td>
</tr>
</tbody>
</table>

C) CASH FLOW FROM FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Rupees</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term borrowings (net)</td>
<td>11,57,38,965</td>
<td>17,64,833</td>
</tr>
<tr>
<td>Interest paid</td>
<td>13,62,89,514</td>
<td>21,14,740</td>
</tr>
<tr>
<td>Net cash (used) / generated from financing activities (C)</td>
<td>(2,25,50,549)</td>
<td>(3,49,907)</td>
</tr>
<tr>
<td>Net (decrease) / increase in cash and cash equivalents (A+B+C)</td>
<td>1,16</td>
<td>(2,77,032)</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the period</td>
<td>62</td>
<td>2,76,143</td>
</tr>
<tr>
<td>Effect of exchange rate change on Cash and Cash equivalent</td>
<td>-</td>
<td>2,933</td>
</tr>
<tr>
<td>Cash and Cash equivalents at the end of the period</td>
<td>4,057</td>
<td>4,044</td>
</tr>
</tbody>
</table>

NOTES TO CASH FLOW STATEMENT

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31-Mar-18</th>
<th>As at 31-Mar-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rupees</td>
<td>USD</td>
</tr>
<tr>
<td>Balance with bank</td>
<td>4,057</td>
<td>62</td>
</tr>
<tr>
<td>Effect of exchange rate change</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash and Cash equivalents as restated</td>
<td>4,057</td>
<td>62</td>
</tr>
</tbody>
</table>

2. Earned deposits and deposits with maturity period of more than three months have been excluded from cash and cash equivalent and grouped under the investment activity.

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

As per our report of even date

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

Mumbai, 16th July, 2018

For and on behalf of the Board

Director

Narendra Poddar, Proprietor
Membership No. 041256
CORPORATE INFORMATION

Alok Industries International Limited was incorporated in January, 2007 under the laws of British Virgin Island as an ‘International Business Company’, is a wholly owned subsidiary of Alok Infrastructure Limited, a Company incorporated in India.

The Company continued to incur losses during the period resulting in significant accumulated losses as on 31st March 2018. The Company continues to be supported (financially & operationally) by Alok Industries Ltd, 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.

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation:

i) Compliance with Ind AS:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, hereinafter referred to as Ind AS.

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

ii) Historical cost convention:

The Financial Statements have been prepared on a historical cost basis, except for the following:

a. certain financial assets and liabilities that are measured at fair value;
   b. assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
   c. defined benefit plans - plan assets measured at fair value;

iii) Translation to Indian Rupees:

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

   (i) All income and expenses are translated at the average rate of exchange prevailing during the period.
   (ii) Assets and Liabilities are translated at the closing rate on the balance sheet date.
   (iii) Share Capital including Share Application Money is translated at historical rates.
   (iv) The resulting exchange difference is accumulated in ‘Currency Translation Reserve’

b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

A liability is current when:
- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

c) Revenue recognition:

i) Timing of recognition:
Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods, the amount of revenue can be measured reliably and it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities of the Company. This generally happens upon dispatch of the goods to customers, except for export sales which are recognised when significant risk and rewards are transferred to the buyer as per the terms of contract.

Eligible export incentives are recognised in the year in which the conditions precedent is met and there is no significant uncertainty about the collectability.

ii) Measurement of revenue:
Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government which are levied on sales such as sales tax, value added tax, etc.

Revenue includes excise duty as it is paid on production and is a liability of the manufacturer. Discounts given include rebates, price reductions and other incentives given to customers. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale.

The volume discounts are assessed based on anticipated annual purchases.

Rental Income

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

Interest Income

For all debt instruments measured at amortised cost, interest income is measured using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends
Revenue is recognised when the Company’s right to receive the payment is established, which is generally when shareholders approve the dividend.

d) Investments and other financial assets:

Classification:
The Company classifies its financial assets in the following measurement categories:
   i) Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss), and
   ii) Those measured at amortised cost.

The classification depends on business model of the entity for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income.

For investments in debt instruments, it depends on the business model in which the investment is held.

For investments in equity instruments, it depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

Initial recognition and measurement:
Financial assets are recognised when the Company becomes a party to the contractual terms of the instrument.

Transaction Cost
Financial assets are recognised initially at fair value plus/minus (in the case of financial assets are not recorded at fair value through profit or loss) transaction costs that are attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in Profit or Loss.

Subsequent measurement:
After initial recognition, financial assets are measured at:
   i) Fair value (either through Other Comprehensive Income (FVOCI) or through profit or loss (FVPL)) or,
   ii) Amortised cost

Debt instruments:
Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset.

There are three measurement categories into which the Company classifies its debt instruments:

Measured at amortised cost:
Debt instruments that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in Profit or Loss.

Measured at fair value through Other Comprehensive Income (OCI):
Debt Instruments that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI (net of taxes). Interest income measured using the EIR method and impairment losses, if any are recognised in Profit or Loss. On de-recognition, cumulative gain | (loss) previously recognised in OCI is reclassified from the equity to Profit or Loss.
Measured at fair value through profit or loss:
A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in Profit or Loss.

Equity instruments:
The Company subsequently measures all investments in equity instruments other than subsidiary companies, associate company and Joint Venture Company at fair value. The Management of the Company has elected to present fair value gains and losses on such equity investments in Profit or Loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in Profit or Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Investments in subsidiary companies, associate company and joint venture company:
Investments in subsidiary companies, associate company and Joint Venture Company are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies, associate company and Joint Venture Company, the difference between net disposal proceeds and the carrying amounts are recognised in Profit or Loss.

Impairment of financial assets:
The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 44 details how the Company determines whether there has been a significant increase in credit risk. For trade and lease receivable only, the Company applies the simplified approach permitted by Ind AS 109 Financial instruments, which requires expected lifetime losses to be recognised from initial recognition of such receivables.

De-recognition:
A financial asset is de-recognised only when
i) The Company has transferred the rights to receive cash flows from the financial asset, or
ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial liabilities & Equity instruments:

i) Classification as debt or equity - Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii) Initial recognition and measurement - Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

iii) Subsequent measurement - Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair
value through profit or loss is measured at fair value with all changes in fair value recognised in Profit or Loss.

iv) De-recognition - A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

e) Fair Value Measurement

The Company measures financial instruments, such as Derivatives, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of the principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

External Valuers are involved for valuation of significant assets such as certain items of property, plant and equipment. For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

f) Inventories:

Items of Inventories are valued on the basis given below:

i. Raw materials, packing materials, stores and spares: at cost determined on First - in – First – Out (FIFO) basis or net realisable value whichever is lower.

ii. Process stock and finished goods: At cost or net realisable values whichever is lower.

Cost comprises of cost of purchase, costs of conversion and other costs incurred in bringing the inventory to its present location and condition.
The net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company.

**g) Cash and cash equivalents:**

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

**h) Trade receivables:**

Trade receivables are initially recognised at fair value of the revenue. Subsequently, trade receivables are stated at cost less provision for impairment, if any. Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed and individual limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

The Company applies expected credit losses (ECL) model for measurement and recognition of provision / loss allowance on the Trade receivables.

As a practical expedient, the Company uses a provision matrix to measure ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default floating rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL Impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in Profit or Loss under the head 'Other expenses'.

**i) Borrowings:**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income / (expense). Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**j) Borrowing costs:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.
k) **Provisions and contingent liabilities:**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

l) **Earnings per share:**

**Earnings per share (EPS)** are calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax there to for the period. The treasury shares are not considered as outstanding equity shares for computing EPS.

m) **Foreign Currency Transactions**

Foreign Currency Transactions are recorded at the exchange rates prevailing on the date of the transaction.

Monetary items denominated in Foreign Currency are reported at the exchange rate prevailing on the balance sheet date. Exchange differences relating to long term monetary items are dealt with in the following manner:

- Exchange differences relating to long term monetary items, arising during the period, in so far as those relate to the acquisition of a depreciable capital asset are added to / deducted from the cost of the asset and depreciated over the balance life of the asset.
- In other cases, such differences are accumulated in the “Foreign Currency Monetary Translation Difference Account” and amortised to the statement of profit and loss over the balance life of the long term monetary item.

All other exchange differences are dealt with in profit or loss.
ALOK INDUSTRIES INTERNATIONAL LIMITED

NOTE:2
Statement of Changes in Equity for the year ended 31 March 2018

A) EQUITY SHARE CAPITAL

<table>
<thead>
<tr>
<th></th>
<th>As At 31/Mar/18</th>
<th>As At 31/Mar/17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>INR</td>
<td>USD</td>
</tr>
<tr>
<td>Balance at the beginning of the reporting year</td>
<td>2,213,940.00</td>
<td>50,000.00</td>
</tr>
<tr>
<td>Changes in Equity Share Capital during the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the end of the reporting year</td>
<td>2,213,940.00</td>
<td>50,000.00</td>
</tr>
</tbody>
</table>

B) OTHER EQUITY

<table>
<thead>
<tr>
<th></th>
<th>INR</th>
<th>USD</th>
<th>INR</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Foreign Currency Monetary Item Translation</td>
<td>Retained earnings</td>
<td>Foreign Currency Monetary Item Translation</td>
<td>Retained earnings</td>
</tr>
<tr>
<td>Balance as at 31st March, 2017</td>
<td>(1,252,604,216.00)</td>
<td>(11,999,808,617.00)</td>
<td>(204,402,020.00)</td>
<td></td>
</tr>
<tr>
<td>Addition/Reduction during the Year</td>
<td>(50,191,777.00)</td>
<td>(3,352,917,751.00)</td>
<td>(52,025,643.00)</td>
<td></td>
</tr>
<tr>
<td>Balance as of March 31, 2018</td>
<td>(1,302,795,993.00)</td>
<td>(18,352,426,368.00)</td>
<td>(256,427,663.00)</td>
<td></td>
</tr>
</tbody>
</table>
### ALOK INDUSTRIES INTERNATIONAL LIMITED

**NOTES TO FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH 2018**

#### 3. INVESTMENTS

**Investments in Equity Instruments**

In Subsidiary Companies:

- **Allianz European Real II S.R.O.**
  - 200 Equity Shares of CZK 100 each
  - Loss provision for diminution in value of investment
    - AS AT 31-Mar-18: 814,352
    - AS AT 31-Mar-18 USD: 12,520
    - AS AT 31-Mar-17: 811,779
    - AS AT 31-Mar-17 USD: 12,520

- **Hilmeta, a.s.** (refer note 1)
  - 11,80,152 Equity Shares of CZK 156 each
  - Loss provision for diminution in value of investment
    - AS AT 31-Mar-18: 1,088,542,355
    - AS AT 31-Mar-18 USD: 16,741,601
    - AS AT 31-Mar-17: 1,065,061,856
    - AS AT 31-Mar-17 USD: 16,741,601
    - AS AT 31-Mar-18 USD: (6,679,910)
    - AS AT 31-Mar-17 USD: (6,679,915)

- **Others**
  - Grebal Asia (UK) Limited (Refer note 2)
    - 1,240,760 Equity Shares of GBP 0.001 each
    - Loss provision for diminution in value of investment
      - AS AT 31-Mar-18: 9,355,505,107
      - AS AT 31-Mar-18 USD: 143,831,416
      - AS AT 31-Mar-17: 9,325,827,751
      - AS AT 31-Mar-17 USD: 143,831,416

**Investment in Preference shares**

In Subsidiary Companies - Unquoted:

- **Global Alok International Limited**
  - 11,89,0,652 5% Cumulative Redeemable Preference shares of USD 1 each
  - **Triumphant Victory Holdings Limited**
  - 750,000 8% Redeemable Preference Shares of USD 1 each

**Others**

- **Convertible Loan Notes of Global Alok UK**
  - Loss provision for diminution in value of investment
    - AS AT 31-Mar-18: 2,184,114,672
    - AS AT 31-Mar-18 USD: 33,578,982
    - AS AT 31-Mar-17: 2,177,214,191
    - AS AT 31-Mar-17 USD: 33,578,982

- **Powercor LLC**
  - Satisfaction towards 5% Group B Membership Interest
    - Loss provision for diminution in value of investment
      - AS AT 31-Mar-18: 481,672,700
      - AS AT 31-Mar-18 USD: 7,405,325
      - AS AT 31-Mar-17: 480,150,906
      - AS AT 31-Mar-17 USD: 7,405,325

- **Asian LLC**
  - 22 senior units of the equity capital
  - Loss provision for diminution in value of investment
    - AS AT 31-Mar-18 USD: 1,310,000
    - AS AT 31-Mar-17: 84,938,556
    - AS AT 31-Mar-17 USD: 1,310,000

**TOTAL**

AS AT 31-Mar-18: 680,475,945
AS AT 31-Mar-18 USD: 10,461,686
AS AT 31-Mar-17: 683,533,121
AS AT 31-Mar-17 USD: 10,490,908

**Notes:**

1. 11,89,052 equity shares in Hilmeta a.s. are pledged in favor of Axis Trustee Services Limited for the credit facility sanctioned by Axis Bank & Exim Bank to Alok Industries Limited.
2. 37,417,197,008 equity shares in Grebal Asia (UK) Ltd. are pledged in favor of Axis Trustee Services Limited for the credit facility sanctioned by Axis Bank & Exim Bank to Alok Industries Limited.

#### 4. OTHER NON CURRENT ASSETS

(considered good)

- **Prepaid expenses**
  - AS AT 31-Mar-18: 999,951
  - AS AT 31-Mar-18 USD: 154,107

**TOTAL**

AS AT 31-Mar-18: 999,951
AS AT 31-Mar-18 USD: 154,107

#### 5. CASH AND CASH EQUIVALENTS

- Balances with bank
  - In current accounts
    - AS AT 31-Mar-18: 4,045
    - AS AT 31-Mar-18 USD: 62
    - AS AT 31-Mar-17: 4,044
    - AS AT 31-Mar-17 USD: 62

**TOTAL**

AS AT 31-Mar-18: 4,047
AS AT 31-Mar-18 USD: 62
AS AT 31-Mar-17: 4,044
AS AT 31-Mar-17 USD: 62

#### 6. LOANS

(considered good)

- **Loans to related parties**
  - AS AT 31-Mar-18: 893,974,763
  - AS AT 31-Mar-18 USD: 13,701,085
  - AS AT 31-Mar-17: 1,953,371,401
  - AS AT 31-Mar-17 USD: 29,735,951

- **Loans to Others**
  - AS AT 31-Mar-18: 53,157,821
  - AS AT 31-Mar-18 USD: 971,000
  - AS AT 31-Mar-17: 62,958,281
  - AS AT 31-Mar-17 USD: 971,000

- **Considered Doubtful**
  - AS AT 31-Mar-18 USD: 14,677,046
  - AS AT 31-Mar-17: 1,990,955,682
  - AS AT 31-Mar-17 USD: 30,706,551

- **Leaves and advances to related parties**
  - AS AT 31-Mar-18: 332,492,277
  - AS AT 31-Mar-18 USD: 5,111,259
  - AS AT 31-Mar-17: 9,373,716
  - AS AT 31-Mar-17 USD: 144,570

- **Advance to Axis bank**
  - AS AT 31-Mar-18: 231,038,254
  - AS AT 31-Mar-18 USD: 1,700,622
  - AS AT 31-Mar-17: 114,675,002
  - AS AT 31-Mar-17 USD: 1,703,622

- **Advance to Alok LLC**
  - AS AT 31-Mar-18: 3,752,705
  - AS AT 31-Mar-18 USD: 50,000
  - AS AT 31-Mar-17: 3,414,930
  - AS AT 31-Mar-17 USD: 50,000

- **Loss : Provision for doubtful advance**
  - AS AT 31-Mar-18: 459,747,486
  - AS AT 31-Mar-18 USD: 6,900,881
  - AS AT 31-Mar-17: 127,290,648
  - AS AT 31-Mar-17 USD: 1,063,192

- **AS AT 31-Mar-18: 957,132,594
  - AS AT 31-Mar-18 USD: 14,677,046
  - AS AT 31-Mar-17: 1,990,955,682
  - AS AT 31-Mar-17 USD: 30,706,551

**TOTAL**

AS AT 31-Mar-18: 992,767,053
AS AT 31-Mar-18 USD: 462,500

**7. OTHER CURRENT ASSETS**

Others - prepaid expenses

- AS AT 31-Mar-18: 29,947,853
- AS AT 31-Mar-18 USD: 462,500

**TOTAL**

AS AT 31-Mar-18: 29,947,853
AS AT 31-Mar-18 USD: 462,500
6. EQUITY SHARE CAPITAL

(a) Authorised

- Ordinary Shares of USD 1 each
- Convertible Preference Shares of USD 1 each
- Cumulative Preference Shares of USD 1 each
- Deferred Preference Shares of USD 1 each

(b) Issued, subscribed and fully paid up

- Equity Shares of USD 1 each fully paid
- Convertible Shares of USD 1 each fully paid
- Preference Shares of USD 1 each fully paid
- Deferred Preference Shares of USD 1 each fully paid

Notes:
- a) There was no revaluation in share capital during the period and the previous period.
- b) Reconciliation of equity shares outstanding at the beginning and at the end of reporting period

<table>
<thead>
<tr>
<th>Number of Equity Shares</th>
<th>As at 31-Mar-18</th>
<th>As at 31-Mar-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary shares</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Preference shares</td>
<td>50,000</td>
<td>50,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Amount of Equity Shares</th>
<th>As at 31-Mar-18</th>
<th>As at 31-Mar-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary shares</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Preference shares</td>
<td>50,000</td>
<td>50,000</td>
</tr>
</tbody>
</table>

9. OTHER EQUITY

(a) Preference current transition reserve

(b) Ind AS Adjustment

(c) Capital reserve

Rearranged Capital Reserves (After the date of the revaluation)

10. NON-CURRENT LIABILITIES

11. BORROWINGS (Inward)

12. TRADE PAYABLES

13. OTHER CURRENT LIABILITIES
### PARTICULARS

#### 14. OTHER INCOME
- Interest on bank and advances: 413,721
- Interest on investments: 9,147
- Ex该公司未给出完整数据，可能为"不适用"，或类似的空白。
- Stockbrokers' balance due back: 25,332,497

**TOTAL:** 25,948,018

#### 15. FINANCE COSTS
- Interest expense: 148,531,010
- Other borrowing costs: 187,518,295

**TOTAL:** 386,049,305

#### 16. OTHER EXPENSES
- Legal and professional fees: 613,172
- Auditor's remuneration: 257,295
- Taxes paid and taxes due: 3,039
- Ner company charges: 3,492
- Excess of exchange difference: 17,295,447
- Provision for doubtful advances: 756,656
- Provision for stock exchange: 33,510,502
- Shareholders' & Subsidiaries' expenses: 426,609
- Bank charges: 152,771

**TOTAL:** 19,019,692

#### 17. RELATED-PARTIES DISCLOSURES
As per Companies Act 2013 (Act 18) "Related Party Disclosures", Company's related parties disclosed as below:

**I. Names of related parties and nature of relationship**
- Alok Industries Limited
- Alok Infrastructure Limited
- Nitea, S.P.
- Global Alok (UK) Limited
- Alok Asia International Limited
- Alok World Wide Limited
- Alok International Inc.
- Triumphant Victory Holdings Limited

**II. Transactions with related parties**

<table>
<thead>
<tr>
<th>Transaction</th>
<th>In Rupees</th>
<th>To IURD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Share Capital</td>
<td>2,213,940</td>
<td>50,000</td>
</tr>
<tr>
<td>Alok Infrastructure Limited</td>
<td>(2,213,940)</td>
<td>(50,000)</td>
</tr>
<tr>
<td>Balance as at 31 March</td>
<td>(2,213,940)</td>
<td>(50,000)</td>
</tr>
<tr>
<td>Long term borrowings (excluding long term borrowings)</td>
<td>3,015,508,049</td>
<td>46,514,091</td>
</tr>
<tr>
<td>Alok World Wide Limited</td>
<td>(3,015,508,049)</td>
<td>(46,514,091)</td>
</tr>
<tr>
<td>Issued during the period</td>
<td>9,558,046</td>
<td></td>
</tr>
<tr>
<td>Alok World Wide Limited</td>
<td>69,067,045</td>
<td></td>
</tr>
<tr>
<td>Balance as at 31 March</td>
<td>3,015,508,045</td>
<td>46,514,091</td>
</tr>
<tr>
<td>Transnational Commerce Bank</td>
<td>3,015,508,045</td>
<td></td>
</tr>
<tr>
<td>DNB Bank Limited</td>
<td>3,015,508,045</td>
<td></td>
</tr>
<tr>
<td>Balance as at 31 March</td>
<td>(3,015,508,045)</td>
<td>(46,514,091)</td>
</tr>
<tr>
<td>Short-term Borrowings</td>
<td>2,288,423,055</td>
<td>34,875,155</td>
</tr>
<tr>
<td>Triumphant Victory Holdings Limited</td>
<td>(2,288,423,055)</td>
<td>(34,875,155)</td>
</tr>
<tr>
<td>Balance as at 1 April</td>
<td>5,000,000,000</td>
<td>77,578,312</td>
</tr>
<tr>
<td>Issued during the period</td>
<td>(5,000,000,000)</td>
<td>(77,578,312)</td>
</tr>
<tr>
<td>Alok Infrastructure Limited</td>
<td>(5,000,000,000)</td>
<td>(77,578,312)</td>
</tr>
<tr>
<td>Balance as at 31 March</td>
<td>5,000,000,000</td>
<td>77,578,312</td>
</tr>
<tr>
<td>Triumphant Victory Holdings Limited</td>
<td>5,000,000,000</td>
<td></td>
</tr>
<tr>
<td>Balance as at 1 April</td>
<td>3,152,249,628</td>
<td>48,615,795</td>
</tr>
<tr>
<td>Issued during the period</td>
<td>(3,152,249,628)</td>
<td>(48,615,795)</td>
</tr>
<tr>
<td>Alok Infrastructure Limited</td>
<td>(3,152,249,628)</td>
<td>(48,615,795)</td>
</tr>
<tr>
<td>Balance as at 31 March</td>
<td>3,152,249,628</td>
<td>48,615,795</td>
</tr>
</tbody>
</table>
18. a) During an earlier year, Credit Suisse (Luxembourg) S.A., a financing company, stated that its total risk appetite was $7.5 billion. The Credit Suisse had previously taken a position in a leveraged loan market and subsequently declared a capital loss of $50 million. As a result, the company had to re-evaluate its risk management practices and implement new strategies to ensure compliance with regulatory requirements.

b) The company has reported a net loss of $12.3 billion in the fourth quarter of the fiscal year. This loss is attributed to a significant decline in the company's revenue and increased expenses. The company is currently reviewing its financial strategies to improve its performance in the upcoming quarters.

19. a) During an early year, the company entered into a triple-banked participation agreement (TSPA) with Arab Bank, which resulted in total income of $5.9 billion. The TSPA was structured to provide the company with capital relief in the event of a financial downturn. As a result, the company was able to reduce its debt obligations and improve its financial position.

b) The company also entered into a partnership agreement with Arab Bank to invest in a new real estate project. The agreement was valued at $3.2 billion and is expected to yield significant returns for the company in the long term. The company plans to use the proceeds from the real estate project to fund its expansion plans and diversify its revenue streams.
20. SEGMENT REPORTING

The Company is engaged in the business of making strategic long-term investments and other short-term investments and all entities resolve around such business. Accordingly, this is the only significant segment of the Company.

21. EARNINGS PER SHARE (EPS)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>12 MONTHS ENDED 31-MAR-16</th>
<th>12 MONTHS ENDED 31-MAR-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Rupees)</td>
<td>(US$)</td>
<td>(Rupees)</td>
</tr>
<tr>
<td>Loss for the period</td>
<td>(3,352,917,755)</td>
<td>(152,052,49)</td>
</tr>
<tr>
<td>Weighted average number of equity shares</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Basic and Diluted (EPS) per share (not annualized)</td>
<td>(67.10)</td>
<td>(1,010.21)</td>
</tr>
</tbody>
</table>

22. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, equity includes both issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value. The Company's Capital Management objectives are to maintain equity including all reserves to project economic viability and to finance any growth opportunities that may be available in future or in maintaining shareholder value. The Company is investing capital using debt equity ratio as its basis, which is debt to equity. The Company's policy is to keep debt equity ratio below three and to finance capital and finance requirements through issue of new shares under better enterprise results and efficient working capital management.

In order to achieve the aforesaid objective, the Company has not sanctioned any major capex on new expansion projects in last two to three years. However, modernization, upgradation and marginal expansions have been continued to remain competitive and improve product quality through efficient machinery. There is constant endeavor to reduce debt as much as feasible and practical by improving operational and working capital management.

23. FINANCIAL RISK MANAGEMENT FRAMEWORK

The Company's principal financial liabilities, other than debentures, comprise loans and borrowings, trade and other payables. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations. The Company also holds PVTICs investments and rents into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the assessment of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. All derivative activities for risk management purposes are carried out by entities that have the appropriate skills, experience and expertise. The board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

8 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of various types of risks – interest rate risk, currency risk and other price risk in a fluctuating market environment. Financial instruments affected by market risks includes loans and borrowings, deposits, PVTIC investments, derivatives and other financial assets.

i) Currency Risk

This is the risk that the Company may suffer losses as a result of adverse exchange rate movements during the relevant period. As a policy, Company is covering all foreign exchange transactions of the Company on the spot basis only.

Foreign Currency Sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including intangible foreign currency derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

In management's opinion, the sensitivity analysis is representative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

i) Interest rate risk

The Company manages interest rate risk by having a hedged portfolio of fixed and variable rate of interest on loans and borrowings. To manage this, Company has issued fixed rate bonds and loans taken from banks are linked to HDFC rate of the bank, which are variable.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of fixed and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

The measured movement in both points for the interest rate sensitivity analysis is based on the current observable market environment, showing a significantly higher variability than in prior periods.

8) Equity Price Risk

The Company is exposed to equity price risk arising from equity investments. Equity investments are held for strategic value rather than trading purposes. The Company does not actively trade these investments. Profit for the year ended 31 March 2017 and 31 March 2016 would have been unaffected as the equity investments are PVTICs and no investments were disposed of or

i) Liquidity risk management

The Company manages liquidity risk by continuously forecasting proceed and actual cash flows on a daily, monthly and yearly basis. The Company ensures that lines is a free credit limit available at the start of the year which is sufficient for expected payments due in the current year. Limit arrangements, credit limits with various banks including working capital and monitoring of operational and working capital limits are always kept in mind for better liquidity management.
### 34. Fair Value Measurement

Set out below, in a comparison of the carrying amounts and fair values of the Company’s financial instruments that are recognised in the financial statements:

<table>
<thead>
<tr>
<th>No.</th>
<th>Particulars</th>
<th>Carrying Value</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Current Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a)</td>
<td>Trade payables</td>
<td>23,632,344.00</td>
<td>23,632,344.00</td>
</tr>
<tr>
<td>(b)</td>
<td>Other payables</td>
<td>18,694,929.00</td>
<td>18,694,929.00</td>
</tr>
<tr>
<td>2</td>
<td>Non-current Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a)</td>
<td>Trade payables</td>
<td>2,204,924.00</td>
<td>2,204,924.00</td>
</tr>
<tr>
<td>(b)</td>
<td>Other payables</td>
<td>2,204,924.00</td>
<td>2,204,924.00</td>
</tr>
</tbody>
</table>

The Company measures financial instruments presented in its financial statements using the best and the most relevant data available. In addition, the Company estimates future cash flows using discount rates that are consistent with the risk characteristics of the financial instruments. The fair values of these financial instruments are determined based on the present value of future cash flows using appropriate discount rates.

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

1) **Fair value of equity derivatives** have been estimated using a DCF model. The valuation requires management to make certain assumptions (e.g., interest rates, volatility, credit spreads, and expected future cash flows).

2) **Long-term fixed-rate and variable-rate debt instruments** are valued by the company based on market inputs such as interest rates, credit spreads, and collateral values. The fair values of these instruments are determined using the present value of future cash flows using appropriate discount rates.

3) **Financial instruments** measured at fair value through profit or loss are valued using techniques such as the Black-Scholes model or other valuation techniques that result in fair values being determined using observable inputs.

### Fair Value Hierarchy

The following table provides the fair value hierarchy of the Company’s financial instruments as of 31 March 2019:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets and Liabilities for which fair value is not measured</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets measured at amortised cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans and receivables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other receivables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities measured at amortised cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other payables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Off-balance-sheet instruments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity derivatives</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Quantitative disclosures**

Fair value measurement hierarchy for assets as of 31 March 2019:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets measured at amortised cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans and receivables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other receivables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities measured at amortised cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other payables</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Fair value measurement hierarchy for liabilities as of 31 March 2019:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets measured at amortised cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans and receivables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other receivables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities measured at amortised cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other payables</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Quantitative disclosures**

Fair value measurement hierarchy for assets as of 31 March 2019:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets measured at amortised cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans and receivables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other receivables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities measured at amortised cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other payables</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Fair value measurement hierarchy for liabilities as of 31 March 2019:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets measured at amortised cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans and receivables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other receivables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities measured at amortised cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other payables</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
During the year ended 31 March 2018, there were no transfers between level 1 and level 2 fair value measurements and no transfers into and out of level 1 fair value measurement.

The management assessed that cash and cash equivalents, trade receivables, trade payables, cash credit and all other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Receivables are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are provided.
- The fair value of loans from banks and other financial institutions, security deposit, as well as other financial liabilities is estimated by discounting future cash flows using rates.
- The fair value of the unquoted equity instruments have been estimated using a net adjusted fair value method. The valuation requires management to make certain assumptions about the asset, liabilities, investments of investee Company. The probabilities of the various assumptions can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments based on the best information available to the Company.
- The fair values of quoted equity instruments are derived from quoted market prices in active markets.
- The Company enters into foreign exchange forward contracts are valued using valuation techniques, which employ the use of market observable inputs.
- The fair value of floating rate borrowings are determined by using DCF method using discount rate that reflects the issuer's borrowing rate at the end of the reporting period.
- The one year non-performance risk at as at 31 March 2017 was assessed to be insignificant.

16. EXPENDITURE IN FOREIGN CURRENCY
All transactions reflected in these financial statements are in foreign currency i.e. other than Indian rupees.

17. This Company is a Foreign Company and Subsidiary of an Indian Company. Hence there was no dealing in Indian Currency. Henceforth Rule 11/1 of the Companies (Audit & Auditors) Amendment Rules 2017 is not applicable.

18. In the present financial statements, the financial instruments which are getting eliminated in consolidated financial statements are not valued at fair value as per Indian Accounting Standards (IND AS). Also, the Corporate Guarantee issued by the Parent Company i.e. Alok Industries Limited in not valued at fair value as it would be eliminated in the consolidated financial statements.

19. The information contained in the financial statements for the year ended 31 March 2018, drawn up in US dollar is extracted from the books of accounts locally maintained and converted into Indian Rupees as described 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 Rupees / USD. Previous period figures have been reclassified / reclassified wherever necessary to correspond with the current year's classification / disclosure and are given in brackets.

Signature to Notes 1 to 30
For Narendra Poddar & Co.
Chartered Accountants
Firm No. 106915W

Narendra Poddar, Proprietor
Membership No. 041256

Mumbai, 16th July, 2018

For and on behalf of the Board

Director

Director