

## INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. ALOK INTERNATIONAL (MIDDLE EAST) FZE

### Report on the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone financial statements of M/s. Alok International (Middle East) FZE ("the Company") which comprises the Balance Sheet as at March 31, 2022, 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, 2022, and its loss, 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



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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 **March 31, 2022** taken on record by the Board of Directors, none of the directors is disqualified as on **March 31, 2022** 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".



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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}.

g. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

h. The dividend have not been declared or paid during the year by the company.

i. The company has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For Narendra Poddar & Co.

Chartered Accountants

FRN No. 106915W


Narendra Poddar, Proprietor

Membership No. 041256

Mumbai, 5<sup>th</sup> April 2022

Alok International (Middle East) FZE

**Annexure A” to the Independent Auditor’s Report of even date on the Financial Statements of ALOK INTERNATIONAL (MIDDLE EAST) FZE**

**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 (MIDDLE EAST) FZE** (“the Company”) as of **March 31, 2022** 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 judgment, 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 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, 2022**, 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, 5<sup>th</sup> April 2022

**ALOK INTERNATIONAL (MIDDLE EAST) FZE**


**BALANCE SHEET AS AT 31 st March 2022**

PARTICULARS	NOTES	AS AT 31st March, 2022 Rupees	AS AT 31st March, 2022 AED	AS AT 31st March, 2021 Rupees	AS AT 31st March, 2021 AED
<b>I ASSETS</b>					
(1) Current assets					
a) Financial Assets					
ii) Cash and bank balances	3	32,95,212	1,60,291	31,95,132	1,60,291
iii) Loans	4	46,68,31,055	2,27,08,140	45,26,52,614	2,27,08,140
b) Other Current Assets	5	-	-	-	-
<b>TOTAL</b>		<b>47,01,26,267</b>	<b>2,28,68,431</b>	<b>45,58,47,746</b>	<b>2,28,68,431</b>
<b>II EQUITY AND LIABILITIES</b>					
(1) Equity					
a) Equity Share capital	6	1,30,98,744	10,00,000	1,30,98,744	10,00,000
b) Other Equity	7	(14,97,74,891)	(76,48,361)	(14,56,23,807)	(76,48,361)
(2) Non-current liabilities		(13,66,76,147)	(66,48,361)	(13,25,25,063)	(66,48,361)
(3) Current liabilities					
a) Financial Liabilities					
i) Short-term borrowings	8	46,17,89,730	2,24,62,915	44,77,64,404	2,24,62,915
ii) Trade payables	9	2,68,19,164	13,04,569	2,60,04,621	13,04,569
b) Other Current Liabilities	10	11,81,93,519	57,49,308	11,46,03,784	57,49,308
<b>TOTAL</b>		<b>47,01,26,267</b>	<b>2,28,68,431</b>	<b>45,58,47,746</b>	<b>2,28,68,431</b>

III Notes forming part of the financial statements 1 to 23

As per our report of even date

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

*Narendra Poddar*  


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

For and on behalf of the Board

*Dilip B. Jiwrajka*  
*Surendra B. Jiwrajka*  
**Dilip B. Jiwrajka**      **Surendra B. Jiwrajka**  
Director                      Director  
DIN-00173476              DIN-00173525

Mumbai, 5th April 2022

**ALOK INTERNATIONAL (MIDDLE EAST) FZE**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 st March 2022**

PARTICULARS	NOTES	For the Year ended 31 st March 2022		For the Year ended 31 st March 2021	
		Rupees	AED	Rupees	AED
<b>INCOME</b>		-	-	-	-
<b>III. Total (I+II)</b>		-	-	-	-
<b>IV. EXPENSES</b>					
Other expenses	11	-	-	41,112,836	2,062,500
<b>Total (IV)</b>		-	-	<b>41,112,836</b>	<b>2,062,500</b>
<b>V. NET PROFIT/LOSS FOR THE PERIOD BEFORE EXCEPTIONAL ITEMS ( III - IV )</b>		-	-	<b>(41,112,836)</b>	<b>(2,062,500)</b>
<b>VI. Less:- Adjustment for previous year</b>		-	-	-	-
<b>VII. NET PROFIT FOR THE PERIOD</b>		-	-	<b>(41,112,836)</b>	<b>(2,062,500)</b>
<b>VIII. OTHER COMPREHENSIVE INCOME</b>					
<b>A (i) Items that will be reclassified to profit or loss</b>					
- Net exchange Profit/Loss on translation		(4,151,084)	-	1,875,617	-
<b>IX. TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(4,151,084)</b>	-	<b>(39,237,219)</b>	<b>(2,062,500)</b>
<b>X. EARNINGS PER SHARE FROM CONTINUING OPERATIONS</b>					
Basic		-	-	(41,112,836)	(2,062,500)
Diluted		-	-	(41,112,836)	(2,062,500)

**XI. Notes forming part of the financial statements** 1 to 23

As per our report of even date

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

*Pm Narendra Poddar*  


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

Mumbai, 5th April 2022

For and on behalf of the Board

*Dilip B. Jiwrajka*  


**Dilip B. Jiwrajka**  
Director  
DIN-00173476

**Surendra B. Jiwrajka**  
Director  
DIN-00173525

**ALOK INTERNATIONAL (MIDDLE EAST) FZE**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st March 2022**

PARTICULARS	Year ended 31-March-22		Year ended 31-Mar-21	
	Rupees	AED	Rupees	AED
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before tax	(41,51,084)	-	(3,92,37,218.50)	-
<b>Adjustments for :</b>				
Unrealised exchange loss	41,51,084	-	(18,75,617.00)	-
<b>Operating Profit before working capital changes</b>	-	-	(4,11,12,836)	-
<b>Adjustments for :</b>				
Net cash used in/ (generated) from operating activities (A)	-	-	(4,11,12,836)	-
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Net cash used in investing activities (B)	-	-	-	-
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Net cash generated from / (used in) Financing activities (C)	-	-	-	-
<b>Net Increase / (decrease) in Cash and Cash equivalents (A+B+C)</b>	-	-	(4,11,12,836)	-
<b>Cash and Cash equivalents at the beginning of the period</b>	31,95,132	1,60,291	32,60,690.00	1,60,291
Effect of exchange rate change on cash and cash equivalent	1,00,080	-	(65,558.00)	-
<b>Cash and Cash equivalents at the end of the period</b>	<b>32,95,212</b>	<b>1,60,291</b>	<b>(3,79,17,704)</b>	<b>1,60,291</b>

**NOTE TO CASH FLOW STATEMENT**

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

Particulars	Year ended 31-March-22		Year ended 31-Mar-21	
	Rupees	AED	Rupees	AED
Cash and Cash equivalents as per Balance sheet	32,95,212	1,60,291	31,95,132	1,60,291
Add: Effect of exchange rate change	-	-	-	-
Less: Earmarked deposits with bank	-	-	-	-
<b>Cash and Cash equivalents as restated at the end of period</b>	<b>32,95,212</b>	<b>1,60,291</b>	<b>31,95,132</b>	<b>1,60,291</b>

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

3 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

*Pm*  

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

Mumbai, 5th April 2022

**For and on behalf of the Board**

**Dilip B. Jiwrajka**  
Director  
DIN-00173476

**Surendra B. Jiwrajka**  
Director  
DIN-00173525



ALOK INTERNATIONAL (MIDDLE EAST) FZE

**Statement of Changes in Equity for the year ended 31st March 2022**

A) EQUITY SHARE CAPITAL	As At		As At	
	31st March, 2022		31st March, 2021	
	INR	AED	INR	AED
Balance at the beginning of the reporting year	1,30,98,744.00	10,00,000.00	1,30,98,744.00	10,00,000.00
Changes in Equity Share Capital during the year	-	-	-	-
<b>Balance at the end of the reporting year</b>	<b>1,30,98,744.00</b>	<b>10,00,000.00</b>	<b>1,30,98,744.00</b>	<b>10,00,000.00</b>

B) OTHER EQUITY	Foreign Currency Monetary Item		Retained earnings		Total	
	INR	AED	INR	AED	INR	AED
	Balance as at 31st March, 2021	(82,66,127.00)	-	(13,73,57,680)	(76,48,361)	(14,56,23,806.74)
Addition/Reduction during the Year	(41,51,084.00)	-	-	-	-	-
<b>Balance as of March 31, 2022</b>	<b>(1,24,17,211.00)</b>	<b>-</b>	<b>(13,73,57,680)</b>	<b>(76,48,361)</b>	<b>(14,56,23,806.74)</b>	<b>(76,48,360.67)</b>



## CORPORATE INFORMATION

Alok International (Middle East) FZE, incorporated on 1st August, 2011 as a Free Zone Establishment with limited liability pursuant to Law No. 2 of 1996 of H. H. Sheikh Maktoum Bin Rashid Al Maktoum, Ruler of Dubai and implementing regulations issued thereunder by the Dubai Airport Free Zone Authority and is a wholly owned subsidiary of Alok Industries Limited, a Company incorporated in India. The company is engaged in the business of providing marketing services and trading in home textile, apparel fabrics, garments and polyester yarns.

These financial statements are prepared solely for the purpose of consolidation by the holding Company, Alok Industries Limited.

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

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

### 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 31st MARCH 2022

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.

Interest Income

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

Dividends

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

**d) Leases:**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**Company as a lessee:**

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

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

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

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

**Company as a lessor:**

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

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

**e) Fair Value Measurement**

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

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

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

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

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

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

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

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

**f) Cash and cash equivalents:**

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

**g) Offsetting financial instruments:**

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

**h) Borrowings:**

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

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

**i) Borrowing costs:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

**j) Provisions and contingent liabilities:**

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

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

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

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

**k) Earnings per share:**

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

**l) Foreign Currency Transactions**

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

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

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

All other exchange differences are dealt with in profit or loss.



**ALOK INTERNATIONAL (MIDDLE EAST) FZE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2022**

PARTICULARS	AS AT 31st March,2022 Rupees	AS AT 31st March,2022 AED	AS AT 31st March,2021 Rupees	AS AT 31st March,2021 AED
<b>2 TRADE RECEIVABLES</b> (unsecured, considered good)				
From Alok Industries Limited (Refer note no. 21)				
- Outstanding for a period exceeding six months from due date			-	-
Other debts	18,73,70,588	91,14,298.33	18,16,79,830	91,14,298.33
Less: provision for doubtful debts	(18,73,70,588)	(91,14,298.33)	(18,16,79,830)	(91,14,298.33)
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3 CASH AND BANK BALANCES</b>				
<b>A Cash and Cash Equivalents</b>				
Balances with Bank				
In Current account	32,95,212	1,60,291	31,95,132	1,60,291
<b>TOTAL</b>	<b>32,95,212</b>	<b>1,60,291</b>	<b>31,95,132</b>	<b>1,60,291</b>
<b>4 LOANS</b>				
(Unsecured, considered good)				
Loans to related parties	46,68,31,055	2,27,08,140	45,26,52,614	2,27,08,140
<b>TOTAL</b>	<b>46,68,31,055</b>	<b>2,27,08,140</b>	<b>45,26,52,614</b>	<b>2,27,08,140</b>
<b>5 OTHER CURRENT ASSETS</b>				
Advances to others	4,24,00,613	20,62,500	4,11,12,836	20,62,500
Less : Provision for doubtful advances	(4,24,00,613)	(20,62,500)	(4,11,12,836)	(20,62,500)
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>6 EQUITY</b>				
<b>Authorised Shares</b>				
1 Equity Share of AED 1,000,000 each	1,30,98,744	10,00,000	1,30,98,744	10,00,000
	<b>1,30,98,744</b>	<b>10,00,000</b>	<b>1,30,98,744</b>	<b>10,00,000</b>
<b>Issued, subscribed and fully Paid Up</b>				
1 Equity Share of AED 1,000,000 each	1,30,98,744	10,00,000	1,30,98,744	10,00,000
<b>TOTAL</b>	<b>1,30,98,744</b>	<b>10,00,000</b>	<b>1,30,98,744</b>	<b>10,00,000</b>
<b>Note:</b>				
a) The company has been incorporated as a wholly owned subsidiary of Alok Industries Limited and there has been no change in the share capital since incorporation.				
b) <b>Terms/rights attached to equity shares</b>				
The company has only one class of equity shares having a par value of AED 1,000,000 per share. Each holder of equity share is entitled to one vote per share. The shareholders are entitled for dividend in AED as and when recommended by the Board of Directors and approved by the shareholders at the Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holder.				
<b>7 OTHER EQUITY</b>				
<b>Foreign Currency Translation reserve</b>				
Balance brought forward from previous period	(82,66,127)	-	(1,01,41,744)	-
Reserve generated during the period	(41,51,084)	-	18,75,617	-
	<b>(1,24,17,211)</b>	<b>-</b>	<b>(82,66,127)</b>	<b>-</b>
<b>Surplus in the Statement of Profit and Loss</b>				
Balance brought forward from previous period	(13,73,57,680)	(76,48,361)	(9,62,44,844)	(55,85,861)
Profit for the period	-	-	(4,11,12,836)	(20,62,500)
<b>TOTAL</b>	<b>(14,97,74,891)</b>	<b>(76,48,361)</b>	<b>(14,56,23,807)</b>	<b>(76,48,361)</b>
<b>8 SHORT TERM BORROWINGS</b>				
Short term Loan from related parties	46,17,89,730	2,24,62,915	44,77,64,404	2,24,62,915
<b>TOTAL</b>	<b>46,17,89,730</b>	<b>2,24,62,915</b>	<b>44,77,64,404</b>	<b>2,24,62,915</b>



**ALOK INTERNATIONAL (MIDDLE EAST) FZE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2022**

**9 TRADE PAYABLES**

Creditors for services	2,68,19,164	13,04,569	2,60,04,621	13,04,569
Accrued wages and salaries etc.			-	-
<b>TOTAL</b>	<b>2,68,19,164</b>	<b>13,04,569</b>	<b>2,60,04,621</b>	<b>13,04,569</b>

**10 OTHER CURRENT LIABILITIES**

Advance from customers	11,70,15,824	56,92,020	11,34,61,858	56,92,020
Payable to staff	11,77,697	57,287	11,41,928	57,287
<b>TOTAL</b>	<b>11,81,93,521</b>	<b>57,49,307</b>	<b>11,46,03,786</b>	<b>57,49,307</b>

**PARTICULARS**

	For the year ended		For the year ended	
	31st March,2022	31st March,2022	31st March,2021	31st March,2021
	Rupees	AED	Rupees	AED

**11 OTHER EXPENSES**

Provision for bad and doubtful debts & advance	-	-	4,11,12,836	20,62,500
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>4,11,12,836</b>	<b>20,62,500</b>

**12 IMPACT OF COVID - 19**

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.

**13 RELATED PARTIES DISCLOSURES**

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

**I Names of related party and nature of relationship**

Alok Industries Limited	Holding Company
Alok International Inc.	Fellow Subsidiary

**II Transactions with Related parties**

Particulars of transaction / balance	With holding Company		With fellow subsidiary	
	In Rupees	In AED	In Rupees	In AED
<b>Equity Share Capital</b>				
<b>Alok Industries Limited</b>				
Balance as at 1-Apr-2021	1,30,98,744	10,00,000		
	(1,30,98,744)	(10,00,000)		
Balance as at 31-March-2022	1,30,98,744	10,00,000		
	(1,30,98,744)	(10,00,000)		
<b>Short Term Borrowings</b>				
<b>Alok Industries Limited</b>				
Balance as at 1-Apr-2021	45,26,52,614	2,27,08,140		
Received during the year	(46,19,40,244)	(2,27,08,140)		
	92,87,630	-		
Balance as at 31-March-2022	46,68,31,055	2,27,08,140		
	(45,26,52,614)	(2,27,08,140)		
<b>Alok Industries International Limited</b>				
Balance as at 1-Apr-2021			18,81,14,769	94,37,119
Received during the year			(19,19,74,550)	(94,37,119)
			58,92,320	(0)
Balance as at 31-March-2022			38,59,781	(-)
			19,40,07,089	94,37,119
			(18,81,14,769)	(94,37,119)
<b>Alok Singapore Pte Limited</b>				
Balance as at 1-Apr-2021			4,48,50,366	22,50,000
Received during the year			(4,57,70,616)	(22,50,000)
			14,04,848	-
Balance as at 31-March-2022			9,20,250	(-)
			4,62,55,214	22,50,000
			(4,48,50,366)	(22,50,000)





**ALOK INTERNATIONAL (MIDDLE EAST) FZE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2022**

<b>Short Term Loans &amp; Advances</b>				
<b>Alok International Inc.</b>				
Balance as at 1-Apr-2021			(21,47,99,267)	(1,07,75,795)
Given during the year			21,92,06,567	1,07,75,795
Exchange Rate Difference (FCTR)			-	-
			(67,28,158)	-
			(44,07,300)	(-)
Balance as at 31-March-2022			(22,15,27,425)	(1,07,75,795)
			21,47,99,267	1,07,75,795

Note: Previous period figures are given in brackets.

- 14 Service charges represent income received/accrued towards reimbursement of marketing and other expenses with a mark up of 4.5%, incurred for Alok Industries Limited, the holding Company, in terms of the marketing services agreement.

**15 EARNINGS PER SHARE**

Particulars	Year Ended 31st March,2022		Year Ended 31st March,2021	
			Amount (INR)	Amount (AED)
Net profit for the period	-	-	(4,11,12,836)	(20,62,500)
Weighted average number of equity shares	1	1	1	1
Nominal Value of equity share	N.A.	10,00,000	N.A.	10,00,000
Basic and Diluted Earning per share	-	-	(4,11,12,836)	(20,62,500)

**16 CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, equity includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value. The Company's Capital Management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximize shareholders' value. The Company is monitoring capital using debt equity ratio as its base, which is debt to equity. The company's policy is to keep debt equity ratio below three and infuse capital if and when required through issue of new shares and/or better operational results and efficient working capital management.

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

Particulars	31st March,2022		31st March,2021	
			INR	AED
Debt (A)	46,17,89,730	2,24,62,915	44,77,64,404	2,24,62,915
Equity (B)	(13,66,76,147)	(66,48,361)	(13,25,25,063)	(66,48,361)
Debt / Equity Ratio (A / B)	(3.38)	(3.38)	(3.38)	(3.38)

**17 FINANCIAL RISK MANAGEMENT FRAMEWORK**

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

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

**A Credit Risk:**

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

**B Market Risk:**

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

**i) Currency Risk**

This is the risk that the Company may suffer losses as a result of adverse exchange rate movement during the relevant period. As a policy, Company is covering all foreign exchange risk on account of import and loans so that Company may not be put to any loss situation due to adverse fluctuations in currency rates. There is a periodical review of foreign exchange transactions and hedging by the Company's executives.

**Foreign Currency Sensitivity**



**ALOK INTERNATIONAL (MIDDLE EAST) FZE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2022**

The following tables demonstrate the sensitivity to a reasonably 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 non-designated foreign currency derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Currency	Change in rate (upward)	Effect on profit before tax	Change in rate (downward)	Effect on profit before tax
31st March, 2022	Euro	0.05	0.00	-0.05	0.00
	USD	0.05	0.00	-0.05	0.00
31st March, 2021	Euro	0.05	0.00	-0.05	0.00
	USD	0.05	0.00	-0.05	0.00

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

**ii) Interest rate risk**

The Company does not bear any interest rate risk as the company does not have any interest bearing loans.

**iii) Equity Price Risk**

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments. Profit for the year ended 31 March 2022 and 31 March 2021 would have been unaffected as the equity investments are FVTOCI and no investments were disposed of or impaired.

**i) Liquidity risk management**

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows on daily, monthly and yearly basis. The Company ensures that there is a free credit limit available at the start of the year which is sufficient for repayments getting due in the ensuing year. Loan arrangements, credit limits with various banks including working capital and monitoring of operational and working capital issues are always kept in mind for better liquidity management.

**ii) Maturities of financial liabilities**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

<b>31st March, 2022</b>				
	Currency	On Demand	Less Than 4 Year	Total
(a) Non Derivative financial instruments				
Short term borrowings	AED	2,24,62,915		2,24,62,915
	INR	46,17,89,730		46,17,89,730
Trade payables				
Trade payables - other than micro and small ent.	AED	13,04,569		13,04,569
	INR	2,68,19,164		2,68,19,164
Other current liabilities				
	AED	57,49,308		57,49,308
	INR	11,81,93,519		11,81,93,519
(b) Derivative financial instruments				
Foreign exchange forward contracts				

<b>31st March, 2021</b>				
	Currency	On Demand	Less Than 4 Year	Total
(a) Non Derivative financial instruments				
Short term borrowings	AED	2,24,62,915		2,24,62,915
	INR	44,77,64,404		44,77,64,404
Trade payables				
Trade payables - other than micro and small ent.	AED	13,04,569		13,04,569
	INR	2,60,04,621		2,60,04,621
Other current liabilities				
	AED	57,49,308		57,49,308
	INR	11,46,03,784		11,46,03,784

**iii) Financing arrangements**

The Company does not have any financing arrangements.



**ALOK INTERNATIONAL (MIDDLE EAST) FZE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2022**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements.

Sr. No.	Particulars	Currency	Carrying & Fair value	
			31-Mar-22	31-Mar-21
(a)	<b>Financial Asset</b>			
(i)	Carried at amortised cost			
(i)	Loans to related parties	AED INR	2,27,08,140 46,68,31,055	2,27,08,140 45,26,52,614
(iii)	Cash and cash equivalent	AED INR	1,60,291 32,95,212	1,60,291 31,95,132
(a)	<b>Financial Liabilities</b>			
(i)	Carried at amortised cost			
(i)	Borrowings	AED INR	2,24,62,915 46,17,89,730	2,24,62,915 44,77,64,404
(ii)	Trade payable	AED INR	13,04,569 2,68,19,164	13,04,569 2,60,04,621
(iii)	Other payables	AED INR	57,49,308 11,81,93,519	57,49,308 11,46,03,784

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuations, including independent price validation for certain instruments. Further, in other instances, Company retains independent pricing vendors to assist in corroborating the valuations of certain instruments.

The fair value of the financial assets and liabilities are included at the amount at which the instrument that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date.

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

- i) Fair value of security deposits have been estimated using a DCF model. The valuation requires management to make certain assumptions about interest rates, maturity period, credit risk, forecasted cash flows.
- ii) Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the company based on parameters such as interest rates, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables. As of reporting date the carrying amounts of such receivables, net of allowances are not materially different from their calculated fair values.
- iii) Carrying value of loans from banks, other noncurrent borrowings and other financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The own non-performance risk as at reporting date was assessed to be insignificant.

**Fair value hierarchy**

The following table provides the fair value measurement hierarchy of Company's assets and liabilities grouped into Level 1 to Level 3 as described in significant accounting policies - Note 2. Further table describes the valuation techniques used, key inputs to valuations and quantitative information about significant unobservable inputs for fair value measurements.

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2022:**

Sr. No.	Particulars	Currency	Fair Value Measurement		
			Level 1	Level 2	Level 3
(a)	<b>Assets and liabilities for which fair values are disclosed</b>				
(i)	Financial assets measured at amortised cost				
(i)	Loans to related parties	AED INR	- -	2,27,08,140 46,68,31,055	- -
(b)	<b>Financial liability measured at amortised cost</b>				
(i)	Borrowings	AED INR	- -	2,24,62,915 46,17,89,730	- -
(ii)	Other payables	AED INR	- -	57,49,308 11,81,93,519	- -

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2021:**

Sr. No.	Particulars	Currency	Fair Value Measurement		
			Level 1	Level 2	Level 3
(a)	<b>Assets and liabilities for which fair values are disclosed</b>				
(i)	Financial assets measured at amortised cost				
(i)	Loans to related parties	AED INR	- -	2,27,08,140 45,26,52,614	- -
(b)	<b>Financial liability measured at amortised cost</b>				
(i)	Borrowings	AED INR	- -	2,24,62,915 44,77,64,404	- -



**ALOK INTERNATIONAL (MIDDLE EAST) FZE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2022**

(ii)	Other payables	AED	-	57,49,308	-
		INR	-	11,46,03,784	-

During the year ended 31 March 2022 there were no transfers between level 1 and level 2 fair value measurements and no transfers into and out of level 3 fair value measurement.

The management assessed that cash and cash equivalents, trade receivables, trade payables, cash credit and all other current financial assets and liabilities approximates their carrying amounts largely due to the short-term maturities of these 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 taken into account for the expected credit losses of these receivables.
- The fair value of loans from banks and other financial liabilities, security deposit, as well as other financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The fair values of the unquoted equity instruments have been estimated using a net adjusted fair value method. The valuation requires management to make certain assumptions about the assets, liabilities, investments of Investee 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 employs the use of market observable inputs.
- The fair value of floating rate borrowings are determined by using DCF method using discount rate that reflects the issuer's borrowing rate at the end of the reporting period. The own non-performance risk as at 31 March 2022 was assessed to be insignificant.

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**RATIOS**

(i)	Current Ratio	Rupees		AED	
		Particulars	YE Mar-22	YE Mar-21	YE Mar-21
	Current Assets	47,01,26,267	2,28,68,431	45,58,47,746	2,28,68,431
	Current Liabilities	14,50,12,685	70,53,876	14,06,08,407	70,53,876
	<b>Current Ratio</b>	<b>3.24</b>	<b>3.24</b>	<b>3.24</b>	<b>3.24</b>

(ii)	Debt-Equity Ratio	Rupees		AED	
		Particulars	YE Mar-22	YE Mar-21	YE Mar-21
	Non Current Debt	-	-	-	-
	Current Debt	46,17,89,730	2,24,62,915	44,77,64,404	2,24,62,915
	Current Mat of LT Debt	-	-	-	-
	<b>Total Debt (incl current maturity of LTB)</b>	<b>46,17,89,730</b>	<b>2,24,62,915</b>	<b>44,77,64,404</b>	<b>2,24,62,915</b>
	Equity	1,30,98,744	10,00,000	1,30,98,744	10,00,000
	Other Equity	-14,97,74,891	-76,48,361	-14,56,23,807	-76,48,361
	<b>Total Equity</b>	<b>-13,66,76,147</b>	<b>-66,48,361</b>	<b>-13,25,25,063</b>	<b>-66,48,361</b>
	<b>Debt-Equity Ratio</b>	<b>-3.38</b>	<b>-3.38</b>	<b>-3.38</b>	<b>-3.38</b>

(iii)	Debt Service Coverage Ratio	Rupees		AED	
		Particulars	YE Mar-22	YE Mar-21	YE Mar-21
	PBT	-	-	-4,11,12,836	-20,62,500
	Depreciation	-	-	-	-
	Finance Cost	-	-	-	-
	<b>PBIT + Depn</b>	<b>-</b>	<b>-</b>	<b>-4,11,12,836</b>	<b>-20,62,500</b>
	<b>Debt Service Coverage Ratio</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(iv)	Return on Equity Ratio	Rupees		AED	
		Particulars	YE Mar-22	YE Mar-21	YE Mar-21
	Net Income	-	-	-4,11,12,836	-20,62,500
	Shareholder's Equity	-13,66,76,147	-66,48,361	-13,25,25,063	-66,48,361
	<b>Return on Equity Ratio</b>	<b>-</b>	<b>-</b>	<b>0.31</b>	<b>0.31</b>

(v)	Trade payables turnover ratio	Rupees		AED	
		Particulars	YE Mar-21	YE Mar-22	YE Mar-21
	Total Purchases	-	-	-	-
	Opening Payables	2,60,04,621	13,04,569	2,65,38,190	13,04,569
	Closing Payables	2,68,19,164	13,04,569	2,60,04,621	13,04,569
	<b>Average Trade Payables</b>	<b>2,64,11,893</b>	<b>13,04,569</b>	<b>2,62,71,406</b>	<b>13,04,569</b>
	<b>Trade Payables turnover ratio</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(vi)	Net working capital turnover ratio
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**ALOK INTERNATIONAL (MIDDLE EAST) FZE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2022**

Particulars	YE Mar-22	YE Mar-22	YE Mar-21	YE Mar-21
Total Annual Turnover	-	-	-	-
Working Capital (CA-CL)	32,51,13,582	1,58,14,555	31,52,39,339	1,58,14,555
Net Capital Turnover Ratio	-	-	-	-

(vii) **Net profit ratio**

Particulars	YE Mar-22	YE Mar-22	YE Mar-21	YE Mar-21
Profit After Tax (Before Exceptional Item)	-	-	-4,11,12,836	-20,62,500
Revenue from operations	-	-	-	-
Net profit margin	0%	0%	0%	0%

(viii) **Return on Capital Employed**

Particulars	YE Mar-22	YE Mar-22	YE Mar-21	YE Mar-21
PBT	-	-	-4,11,12,836	-20,62,500
Interest	-	-	-	-
EBIT	-	-	-	-
Capital Employed (Equity+Borrowing)	32,51,13,584	1,58,14,554	-4,11,12,836	-20,62,500
Return on Capital Employed	0.00	0.00	-0.13	-0.13

(ix) **Return on Investment**

Particulars	YE Mar-22	YE Mar-22	YE Mar-21	YE Mar-21
Net Profit	-	-	-	-
Capital Employed	32,51,13,584	1,58,14,554	31,52,39,341	1,58,14,554
Return on Investment	-	-	-	-

**20 EARNINGS IN FOREIGN CURRENCY**

Particulars	Amount (INR)	Amount (AED)
Export of goods calculated on F.O.B. basis	-	-
	-	-

21 Bank balances are subject to confirmation.

**22 EXPENDITURE FOREIGN CURRENCY**

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

23 The information contained in the financial statements for the period ended 31 March 2022, disclosed in AED 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 / AED. Previous period 's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.

Signatures to Notes 1 to 23

As per our report of even date

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

*Narendra Poddar*



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

Mumbai, 5th April 2022

For and on behalf of the Board

*Dilip B. Jiwrajka*

**Dilip B. Jiwrajka**  
Director  
DIN-00173476

*Surendra B. Jiwrajka*

**Surendra B. Jiwrajka**  
Director  
DIN-00173525