

INDEPENDENT AUDITOR'S REPORT

To the Members of ALOK INDUSTRIES INTERNATIONAL LIMITED

Report on the Financial Statements

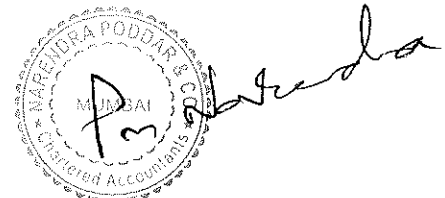
1. We have audited the accompanying financial statements of **ALOK INDUSTRIES INTERNATIONAL LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2015**, the Statement of Profit and Loss and Cash Flow Statement for the period from October 01, 2013 to March 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.



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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2015, and its loss and its cash flows for the period from October 01, 2013 to March 31, 2015.

Report on Other Legal and Regulatory Requirements

7. As required by section 143(3) of the Act, we further report that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- e) on the basis of written representations received from the directors as on **March 31, 2015**, and taken on record by the Board of Directors, none of the directors is disqualified as on **March 31, 2015**, from being appointed as a director in terms of Section 164(2) of the Act.
- f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014::
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There has not been an occasion in case of the Company during the period under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

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

Narendra Poddar, Proprietor
Membership No. 41256



Mumbai, 28th May, 2015

ALOK INDUSTRIES INTERNATIONAL LIMITED

BALANCE SHEET AS AT 31 MARCH 2015

PARTICULARS	NOTES	AS AT 31-Mar-15 Rupees	AS AT 31-Mar-15 USD	AS AT 30-Sep-13 Rupees	AS AT 30-Sep-13 USD
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	3	2,213,940	50,000	2,213,940	50,000
Reserves and surplus	4	(12,588,034,212)	(201,130,993)	(2,990,624,866)	(47,653,596)
		(12,585,820,272)	(201,080,993)	(2,988,410,926)	(47,603,596)
Non-current liabilities					
Long-term borrowings	5	8,882,829,449	141,919,091	4,389,232,869	69,917,850
Current liabilities					
Short term borrowing	6	8,856,435,074	141,497,394	6,313,752,470	100,574,294
Trade payables	7	674,160	10,771	674,160	10,739
Other current liabilities	8	982,840,083	15,702,629	4,541,844,371	72,348,860
TOTAL		6,136,958,494	98,048,892	12,257,092,944	195,248,147
ASSETS					
Non-current assets					
Non-current investments	9	3,552,730,163	56,761,220	9,919,424,333	158,010,487
Long-term loans and advances	10	67,545,905	1,079,167	111,298,420	1,772,917
Current assets					
Cash and bank balances	11	1,433,553	22,904	1,762,134	28,070
Short-term loans and advances	12	2,515,248,873	40,185,601	2,224,608,057	35,436,673
TOTAL		6,136,958,494	98,048,892	12,257,092,944	195,248,147

Notes forming part of the financial statements 1 to 24

As per our report of even date

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

Narendra Poddar, Proprietor
Membership No. 41256

For and on behalf of the Board

Ashok B. Jiwrajka
Director

Dilip B. Jiwrajka
Director

Surendra B. Jiwrajka
Director

Mumbai, 28th May, 2015

ALOK INDUSTRIES INTERNATIONAL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 01 OCTOBER 2013 TO 31 MARCH 2015

PARTICULARS	NOTES	18 MONTHS ENDED 31-Mar-15		18 MONTHS ENDED 30-Sep-13	
		Rupees	USD	Rupees	USD
REVENUE					
Other Income	13	100,561,651	1,637,689	147,005,314	2,624,046
Total		100,561,651	1,637,689	147,005,314	2,624,046
EXPENSES					
Finance cost	14	670,735,489	10,923,215	905,756,018	16,167,743
Other expenses	15	8,854,042,801	144,191,871	4,643,615	82,888
Total		9,524,778,290	155,115,086	910,399,633	16,250,631
LOSS FOR THE PERIOD		(9,424,216,639)	(153,477,397)	(763,394,319)	(13,626,585)
EARNINGS PER SHARE					
Basic and Diluted (not annualised)	20	(188,484.33)	(3,069.55)	(15,267.89)	(272.53)

Notes forming part of the financial statements 1 to 24

As per our report of even date

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

Narendra Poddar, Proprietor
Membership No. 41256

Mumbai, 28th May, 2015

For and on behalf of the Board

Ashok B. Jiwrajka
Director

Dilip B. Jiwrajka
Director

Surendra B. Jiwrajka
Director

ALOK INDUSTRIES INTERNATIONAL LIMITED

CASH FLOW STATEMENT FOR THE PERIOD FROM 01 OCTOBER 2013 TO 31 MARCH 2015

	18 MONTHS ENDED 31-Mar-15		18 MONTHS ENDED 30-Sep-13	
	Rupees	USD	Rupees	USD
A) CASH FLOW FROM OPERATING ACTIVITIES				
Loss for the period	(9,424,216,639)	(153,477,397)	(763,394,319)	(13,626,585)
Adjustments for :				
Unrealised exchange (gain)/loss	224,158	3,649	(85,572,513)	(1,527,506)
Interest income	(20,893,596)	(340,261)	(31,539,761)	(562,985)
Finance cost	582,039,936	9,478,770	905,756,018	16,167,743
Provision for diminution in the value of investments	8,831,909,172	143,831,418		
Discount on Compulsorily Convertible Bonds	88,695,553	1,444,445	145,658,289	2,600,000
Operating (loss) / profit before working capital changes	57,758,584	940,624	170,907,714	3,050,667
Adjustments for :				
Decrease in current liabilities	(92,628,455)	(1,508,494)	(1,835,112,181)	(32,756,746)
Increase in loans and advances	(249,006,541)	(4,055,178)	(4,319,404)	(77,099)
Net cash generated / (used) in operating activities (A)	(283,876,412)	(4,623,048)	(1,668,523,871)	(29,783,178)
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of investments	(4,557,510,109)	(74,221,001)	(779,711,586)	(13,917,850)
Sale of Investment	1,942,770,601	31,638,850	-	-
Interest received	20,893,596	340,261	22,451,014	400,750
Fixed deposits matured	-	-	320,178,157	5,715,179
Net cash generated / (used) in investing activities (B)	(2,593,845,912)	(42,241,890)	(437,082,415)	(7,801,921)
C) CASH FLOW FROM FINANCING ACTIVITIES				
Short-term borrowings (net)	3,548,364,724	57,786,636	3,008,125,814	53,695,036
Interest paid	(670,735,489)	(10,923,215)	(910,637,532)	(16,254,878)
Net cash (used) / generated from financing activities (C)	2,877,629,235	46,863,421	2,097,488,282	37,440,158
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(93,089)	(1,517)	(8,118,004)	(144,941)
Cash and cash equivalents at the beginning of the period	1,763,160	28,088	8,851,566	173,029
Effect of exchange rate change on cash and cash equivalent	(11,334)		1,029,598	
Cash and Cash equivalents at the end of the period	1,658,737	26,571	1,763,160	28,088

NOTES TO CASH FLOW STATEMENT

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

Particulars	As at 31-Mar-15		As at 30-Sep-13	
	Rupees	USD	Rupees	USD
Balance with bank	1,433,553	22,904	1,762,134	28,070
Effect of exchange rate change	225,184	3,667	1,026	18
Cash and Cash equivalents as restated	1,658,737	26,571	1,763,160	28,088

* Earmarked 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.

As per our report of even date

For and on behalf of the Board

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

Ashok B. Jiwrajka
Director

Narendra Poddar, Proprietor
Membership No. 41256

Dilip B. Jiwrajka
Director

Surendra B. Jiwrajka
Director

Mumbai, 28th May, 2015

ALOK INDUSTRIES INTERNATIONAL LIMITED

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

1. BACKGROUND

- A Alok Industries International Limited was incorporated in 25 January, 2007 under the laws of British Virgin Island, is a wholly owned subsidiary of Alok Infrastructure Limited, a Company incorporated in India.
- B The Company continued to incur losses during the period resulting in significant accumulated losses as on 31 March 2015. The Company continues to be supported (financially & 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.

2. SIGNIFICANT ACCOUNTING POLICIES

I Basis of Preparation of Financial Statements

- a) The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. These Financial Statements are prepared solely for the purpose of consolidation by Alok Industries Limited, the ultimate holding company.

b) Translation to Indian Rupees :-

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

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

(ii) Assets and Liabilities are translated at the closing rate on the balance sheet date.

(iii) Share Capital including Share Application Money is translated at historical rates.

(iv) The resulting exchange difference is accumulated in 'Foreign Currency Translation Reserve'.

II Use of Estimates

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

III Revenue recognition

(i) Revenue is recognised when no significant uncertainty as to determination and realisation exists.

(ii) Dividend income is recognised when the Company's right to receive the dividend is established.

(iii) Interest income is recognised on time proportionate basis.

IV Investments

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

V Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

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

a) Exchange differences relating to long-term monetary items, arising during the period, in so far as those relate to the acquisition of a depreciable capital asset are added to / deducted from the cost of the asset and depreciated over the balance life of the asset.

b) In other cases, such differences are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised to the statement of profit and loss over the balance life of the long-term monetary item.

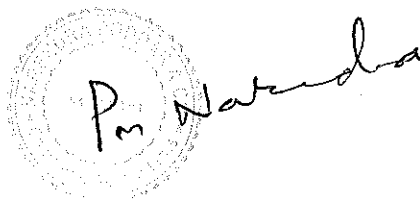
All other exchange differences are dealt with in the statement of profit and loss.

VI Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are disclosed by way of Notes to the financial statements. Disclosure is not made if the possibility of an outflow of future economic benefit is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

VII Cash Flow Statement

The Cash Flow Statement is prepared using the "indirect method" set out in Accounting Standard (AS-3) "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Company. Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand and unencumbered, highly liquid bank balances.



P. M. Narasimha

ALOK INDUSTRIES INTERNATIONAL LIMITED

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

PARTICULARS	AS AT 31-Mar-15 Rupees	AS AT 31-Mar-15 USD	AS AT 30-Sep-13 Rupees	AS AT 30-Sep-13 USD
3. SHARE CAPITAL				
(a) Authorised				
50,000 Equity Shares of USD 1 each	2,213,940	50,000	2,213,940	50,000
200,000,000 Cumulative Preference Shares of USD 1 each	9,157,317,000	200,000,000	9,157,317,000	200,000,000
100,000,000 Class A Redeemable Preference Shares of USD 1 par value each	4,465,000,000	100,000,000	4,465,000,000	100,000,000
100,000,000 Class B Redeemable Preference Shares of USD 1 par value each	4,465,000,000	100,000,000	4,465,000,000	100,000,000
	<u>18,089,530,940</u>	<u>400,050,000</u>	<u>18,089,530,940</u>	<u>400,050,000</u>
(b) Issued, subscribed and fully paid up				
Equity Share Capital				
50,000 Equity Shares of USD 1 each fully paid up	2,213,940	50,000	2,213,940	50,000
TOTAL	<u>2,213,940</u>	<u>50,000</u>	<u>2,213,940</u>	<u>50,000</u>

Note:

- a) There was no movement 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

Number of Equity Shares

Particulars	AS AT 31-Mar-15	AS AT 30-Sep-13
Opening balance	50,000	50,000
Closing balance	50,000	50,000

Amount of Equity Shares

Particulars	AS AT 31-Mar-15 Rupees	AS AT 31-Mar-15 USD	AS AT 30-Sep-13 Rupees	AS AT 30-Sep-13 USD
Opening balance	2,213,940	50,000	2,213,940	50,000
Closing balance	2,213,940	50,000	2,213,940	50,000

c) Terms/rights attached to equity shares

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

d) Shareholder holding more than 5 percent of the Share Capital

Name of the shareholder	31-Mar-15		30-Sep-13	
	No of shares	%	No of shares	%
Alok Infrastructure Limited	50,000	100	50,000	100

4. RESERVES AND SURPLUS

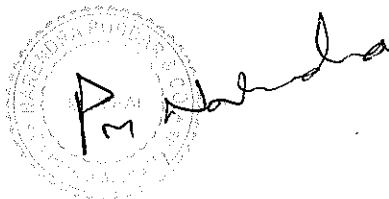
a) Foreign currency translation reserve

Balance as per last Balance Sheet	(633,384,312)	-	(146,512,601)	-
Less : During the period	(173,192,707)	-	(486,871,711)	-
	<u>(806,577,019)</u>	-	<u>(633,384,312)</u>	-

b) Deficit in the Statement of Profit and Loss

Balance as per last Balance Sheet	(2,357,240,554)	(47,653,596)	(1,593,846,235)	(34,027,011)
Loss for the period	(9,424,216,639)	(153,477,397)	(763,394,319)	(13,626,585)
	<u>(11,781,457,193)</u>	<u>(201,130,993)</u>	<u>(2,357,240,554)</u>	<u>(47,653,596)</u>

TOTAL (12,588,034,212) (201,130,993) (2,990,624,866) (47,653,596)



ALOK INDUSTRIES INTERNATIONAL LIMITED

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

PARTICULARS	AS AT 31-Mar-15 Rupees	AS AT 31-Mar-15 USD	AS AT 30-Sep-13 Rupees	AS AT 30-Sep-13 USD
5. LONG-TERM BORROWINGS (Unsecured)				
Compulsorily Convertible Debentures (Refer note (i) below)	2,435,095,074	38,905,000	3,515,512,000	56,000,000
Compulsorily Convertible Debentures (Refer note (ii) below)	1,439,588,400	23,000,000	-	-
Compulsorily Convertible Bonds (Refer note (iii) below)	3,536,380,200	56,500,000	873,720,869	13,917,850
Loan from related party (refer note no. 16)	1,471,765,775	23,514,091	-	-
TOTAL	8,882,829,449	141,919,091	4,389,232,869	69,917,850

Additional Information

Compulsorily Convertible Debentures

- (i) Compulsorily Convertible Debentures issued on 29 July 2011 to Triumphant Victory Holdings Limited are redeemable in twenty equal quarterly instalments as mutually decided between the issuer and holder vide letter dated 29 October 2013.
- (ii) During the period Alok Worldwide Limited, a fellow subsidiary has purchased Compulsorily Convertible Debentures amounting to Rs. 1,439,588,400 USD 23,000,000 which were originally issued on 29 July 2011 and now are redeemable at the end of five year by bullet repayment as mutually decided between the Company and Alok Worldwide Limited..
- (iii) During an earlier year, the company had issued Unsecured floating rate Compulsorily Convertible bonds for an aggregate amount of Rs 252 crores (USD 56.50 million) to Deutsche Bank, AG, Singapore branch, with a green shoe option of Rs 111 crores (USD 25 million). Such bonds are convertible into Class A preference shares of the Company at the end of maturity i.e. July 2014. The bonds have been issued at discount of Rs. 290,225,000 (USD 6.5 million), which has been recognized over period of such bonds.
- Grabal Alok International Limited, fellow subsidiary of the Company (Grabal Alok BVI) had entered into a 'put option' deed with Deutsche Bank, AG, Hong Kong branch, pursuant to which it has agreed to purchase the bonds from the holders of the bonds on scheduled put option dates between the 33rd month (July 2013) to 42nd month (April 2014) from the issue date mentioned in the put option deed.
- During the period, Grabal Alok BVI has purchased the remaining Compulsorily Convertible Bonds aggregating to Rs. 2,662,659,331 (USD 42,582,150) (previous period Rs. 873,720,869 (USD 13,917,850)) from Deutsche Bank such Compulsorily Convertible Bonds are now Interest free as mutually decided between the Company and Grabal Alok BVI.

6. SHORT-TERM BORROWINGS (Unsecured)

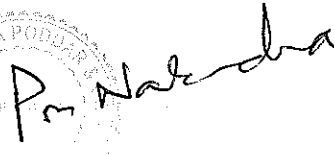
Compulsorily Convertible Debentures (Refer note no. 16)	2,409,745,800	38,500,000	2,416,914,500	38,500,000
Temporary overdrawn bank balance	-	-	54,292	865
Loans and advances from related party (Refer note no. 16)	6,446,689,274	102,997,394	3,896,783,678	62,073,429
TOTAL	8,856,435,074	141,497,394	6,313,752,470	100,574,294

7. TRADE PAYABLES

Creditors for services	674,160	10,771	674,160	10,739
TOTAL	674,160	10,771	674,160	10,739

8. OTHER CURRENT LIABILITIES

Current maturities of long-term borrowings				
Compulsorily Convertible Bonds (Refer note 5(iii) above)	-	-	2,582,501,706	41,137,705
Compulsorily Convertible Debentures (Refer note 5(ii) above)	-	-	878,878,000	14,000,000
Interest accrued but not due on borrowings	-	-	29,407,760	468,448
Due to Grabal Alok (UK) Limited towards convertible loan notes	982,840,083	15,702,629	1,051,056,905	16,742,707
TOTAL	982,840,083	15,702,629	4,541,844,371	72,348,860

 P. N. Nandha

ALOK INDUSTRIES INTERNATIONAL LIMITED

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

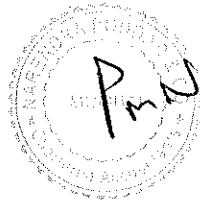
PARTICULARS	AS AT 31-Mar-15 Rupees	AS AT 31-Mar-15 USD	AS AT 30-Sep-13 Rupees	AS AT 30-Sep-13 USD
9. NON CURRENT INVESTMENTS (Trade) (Unquoted)				
Investments in Equity Instruments				
In Subsidiary Companies				
Alok European Retail S.R.O. 200 Equity Shares of CZK 1000 each Less: provision for diminution in value of investment	783,637 (783,637)	12,520 (12,520)	785,968 (785,968)	12,520 (12,520)
Mileta, a.s. 11,80,152 Equity Shares of CZK 196 each Less: provision for diminution in value of investment	1,047,870,186 (393,064,904)	16,741,601 (6,279,915)	1,050,987,472 (394,234,224)	16,741,601 (6,279,915)
	654,805,282	10,461,686	656,753,248	10,461,686
Others				
Grabal Alok (UK) Limited (Refer note no. 17b) 41,350,197,008 (P.Y. 237,197,008) Equity Shares of GBP 0.001 each Less: provision for diminution in value of investment	9,002,523,490 (9,002,523,490)	143,831,418 (143,831,418)	4,369,933,144	69,610,417
			4,369,933,144	69,610,417
Investment in Preference shares				
In Subsidiary Companies - Unquoted				
Grabal Alok International Limited 11,970,552 1% Cumulative Redeemable Preference shares of USD 1/- each	749,246,426	11,970,552	751,475,343	11,970,552
Triumphant Victory Holdings Limited 750,000 0% Redeemable Preference Shares of USD 1 each	46,943,100	750,000	47,082,750	750,000
Others				
Convertible Loan Notes of Grabal Alok UK (Refer note no. 17b)	2,101,735,355	33,578,982	3,220,458,979	51,299,982
Compulsorily Convertible Bonds of Grabal Alok UK (Refer note no. 17a and 17b)			873,720,869	13,917,850
PowerCor LLC Subscription towards 5% Group B Membership Interest Less: provision for diminution in value of investment	463,505,216 (463,505,216)	7,405,325 (7,405,325)	464,884,088 (464,884,088)	7,405,325 (7,405,325)
Aisle5 LLC 22 senior units of the equity capital Less: provision for diminution in value of investment	81,993,948 (81,993,948)	1,310,000 (1,310,000)	82,237,870 (82,237,870)	1,310,000 (1,310,000)
TOTAL	3,552,730,163	56,761,220	9,919,424,333	158,010,487
10. LONG-TERM LOANS AND ADVANCES (Unsecured) (considered good)				
Prepaid expenses	67,545,905	1,079,167	111,298,420	1,772,917
TOTAL	67,545,905	1,079,167	111,298,420	1,772,917
11. CASH AND BANK BALANCES				
Balance with bank In current accounts	1,433,553	22,904	1,762,134	28,070
TOTAL	1,433,553	22,904	1,762,134	28,070
12. SHORT-TERM LOANS AND ADVANCES (Unsecured) (considered good)				
Loans & advances to related parties (Refer note no. 16)	2,486,300,628	39,723,101	2,173,253,000	34,618,618
Others - prepaid expenses	28,948,245 2,515,248,873	462,500 40,185,601	51,355,057 2,224,608,057	818,055 35,436,673
Considered Doubtful Loans and advances to related parties (Refer note no. 16)	9,048,752	144,570	9,075,671	144,570
Others	134,336,078 3,129,540	2,146,259 50,000	216,184,307 3,138,850	3,443,687 50,000
Advance to Axis bank (Refer note no. 18)	134,336,078	2,146,259	216,184,307	3,443,687
Advance to Aisle5 LLC	3,129,540	50,000	3,138,850	50,000
Less : Provision for doubtful advance	146,514,370 (146,514,370)	2,340,829 (2,340,829)	228,398,828 (228,398,828)	3,638,257 (3,638,257)
TOTAL	2,515,248,873	40,185,601	2,224,608,057	35,436,673



ALOK INDUSTRIES INTERNATIONAL LIMITED

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

PARTICULARS	18 MONTHS ENDED 31-Mar-15		18 MONTHS ENDED 30-Sep-13	
	Rupees	USD	Rupees	USD
13. OTHER INCOME				
Interest on Bank Deposit	-	-	5,783,311	103,232
Interest on loans and advances (Refer note no. 16)	20,893,596	340,261	25,756,450	459,753
Exchange rate difference gain (net)	-	-	85,550,785	1,527,082
Sundry balance written back (Refer note no. 18)	79,668,055	1,297,428	29,914,768	533,979
TOTAL	100,561,651	1,637,689	147,005,314	2,624,046
14. FINANCE COSTS				
Interest expense	425,301,253	6,926,213	683,224,252	12,195,551
Other borrowing cost	245,434,236	3,997,002	222,531,766	3,972,192
TOTAL	670,735,489	10,923,215	905,756,018	16,167,743
15. OTHER EXPENSES				
Legal and professional fees	38,436	626	47,792	853
Auditor's remuneration (Including Service Tax)	674,160	10,979	915,003	16,333
Fees rates and taxes	-	-	2,322,129	41,450
Demat Charges (Include prior period expense of USD 128,246 INR 7,874,893 (previous period Nil))	9,106,520	148,304	1,283,388	22,908
Exchange rate difference	10,924,305	177,904	-	-
Provision for diminution in value of Investment	8,831,909,172	143,831,418	-	-
Miscellaneous expenses	1,390,208	22,640	75,303	1,344
TOTAL	8,854,042,801	144,191,871	4,643,615	82,888



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ALOK INDUSTRIES INTERNATIONAL LIMITED

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

16. RELATED PARTIES DISCLOSURES

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

I Names of related party and nature of relationship

Alok Industries Limited	Ultimate Holding Company
Alok Infrastructure Limited	Holding Company
Mileta, a.s.	Subsidiary
Grabal Alok (UK) Limited	Associate Company
Grabal Alok International Limited	Fellow Subsidiary
Alok Worldwide Limited	Fellow Subsidiary
Alok International Inc.	Fellow Subsidiary
Triumphant Victory Holdings Limited	Entity Under Common Control

II Transactions with Related parties

Transaction	In Rupees	In USD
Equity Share Capital		
Alok Infrastructure Limited		
Balance as at 1 October / 1 April	2,213,940	50,000
	(2,213,940)	(50,000)
Balance as at 31 March / 30 September	2,213,940	50,000
	(2,213,940)	(50,000)
Short-Term Borrowings		
Triumphant Victory Holdings Limited		
Balance as at 1 October / 1 April	3,551,831,011	56,578,540
	(147,531,538)	(2,883,926)
Received during the period	789,995,713	12,865,418
	(3,008,102,203)	(53,694,614)
Translation difference during the period	499,925,986	7,911,703
	(396,197,270)	-
Balance as at 31 March / 30 September	4,841,752,710	77,355,661
	(3,551,831,011)	(56,578,540)
Compulsorily Convertible Debentures		
Triumphant Victory Holdings Limited		
Balance as at 1 October / 1 April	2,416,914,500	38,500,000
	(1,969,525,250)	(38,500,000)
Translation difference during the period	(7,168,700)	-
	(447,389,250)	-
Balance as at 31 March / 30 September	2,409,745,800	38,500,000
	(2,416,914,500)	(38,500,000)
Investment		
(Including Equity shares, convertible loan notes & CCBs)		
Grabal Alok (UK) Limited		
Balance as at 1 October / 1 April	8,464,112,992	134,828,249
	(6,185,352,831)	(120,910,399)
Invested during the period	2,614,739,508	42,582,151
	(779,711,635)	(13,917,850)
Translation difference during the period	25,406,345	-
	(1,499,048,526)	-
Balance as at 31 March / 30 September	11,104,258,845	177,410,400
	(8,464,112,992)	(134,828,249)
Other current liabilities		
Alok Industries Limited		
Balance as at 31 March / 30 September	47,113,603	752,724
	(331,455,612)	(5,279,889)
Grabal Alok (UK) Limited		
Balance as at 31 March / 30 September	982,840,083	15,702,629
	(1,051,056,905)	(16,742,707)
Alok International, Inc.		
Balance as at 31 March / 30 September	-	-
	(13,497,055)	(215,000)



ALOK INDUSTRIES INTERNATIONAL LIMITED

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

Transaction	In Rupees	In USD
Loans Given		
Grabal Alok International Limited – Interest Free		
Balance as at 1 October / 1 April	1,087,746,809	17,327,155
	(175,452,630)	(3,429,723)
Given during the period	532,988,399	8,679,944
	(780,248,441)	(13,927,432)
Repaid during the period	-	-
	(1,680,673)	(30,000)
Translation difference during the period	7,069,908	-
	(133,726,411)	-
Balance as at 31 March / 30 September	1,627,805,117	26,007,099
	(1,087,746,809)	(17,327,155)
Mileta, a.s		
Balance as at 1 October / 1 April	547,699,569	8,724,526
	(446,151,508)	(8,721,306)
Interest accrued during the period	13,674,065	222,688
	(25,756,450)	(459,753)
Given during the period	35,118,397	571,918
	(25,576,075)	(456,533)
Translation difference during the period	78,865,439	-
	(101,367,688)	-
Converted/repaid during the period	222,992,118	3,631,522
	-	-
Balance as at 31 March / 30 September	294,634,474	4,707,313
	(547,699,569)	(8,724,526)
Grabal Alok (UK) Limited		
Balance as at 1 October / 1 April	53,360,451	850,000
	(1,081,043,079)	(21,132,077)
Given during the period	216,603,462	3,527,480
	(875,308,433)	(15,624,253)
Repaid/Adjusted during the period	-	-
	(2,011,559,490)	(35,906,330)
Translation difference during the period	40,905,110	-
	(108,568,429)	-
Balance as at 31 March / 30 September	310,869,023	4,966,689
	(53,360,451)	(850,000)
Alok Infrastructure Limited		
Balance as at 1 October / 1 April	484,446,171	7,716,937
	-	-
Given/Adjusted during the period	-	-
	(432,321,484)	(7,716,937)
Repaid during the period	(432,321,484)	(7,716,937)
	-	-
Translation difference during the period	(52,124,687)	-
	(52,124,687)	-
Balance as at 31 March / 30 September	(484,446,171)	(7,716,937)
Long term borrowings (Includes Long term borrowings, & current liabilities)		
Alok Worldwide Limited		
Balance as at 1 October / 1 April	-	-
	-	-
Issued during the period	2,782,659,569	45,316,801
	-	-
Translation difference during the period	(1,343,071,169)	-
	-	-
Balance as at 31 March / 30 September	1,439,588,400	23,000,000
	-	-
Compulsory Convertible Debentures		
Triumphant Victory Holdings Limited		
Balance as at 1 October / 1 April	4,394,390,000	70,000,000
	(3,580,955,000)	(70,000,000)
Issued / (Repaid) during the period	(1,909,375,715)	(31,095,000)
	-	-
Translation difference during the period	(49,919,211)	-
	(813,435,000)	-
Balance as at 31 March / 30 September	2,435,095,074	38,905,000
	(4,394,390,000)	(70,000,000)
Compulsory Convertible Bonds		
Grabal Alok International Limited		
Balance as at 1 October / 1 April	873,720,869	13,917,850
	(779,711,634)	(13,917,850)
Issued during the period	2,614,739,447	42,582,150
	-	-
Translation difference during the period	47,919,884	-
	(94,009,235)	-
Balance as at 31 March / 30 September	3,536,380,200	56,500,000
	(873,720,869)	(13,917,850)

Alok Industries International Limited

ALOK INDUSTRIES INTERNATIONAL LIMITED

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

Transaction	In Rupees	In USD
Interest Expenses on CCD's		
Triumphant Victory Holdings Limited Paid during the period	259,289,611 (411,965,040)	4,222,642 (7,353,575)
Alok Worldwide Limited Paid during the period	66,802,128	1,087,901
Borrowing Cost		
Triumphant Victory Holdings Limited	2,737,908 (2,153,598)	44,588 (38,442)
Alok Worldwide Limited	89,568,585	1,458,663
Interest Income		
Mileta a.s. Accrued during the period	20,893,596 (25,756,450)	340,261 (459,753)

* Figures of previous year are given in bracket.

17. a) During an earlier year, Grabal Alok UK Limited (Grabal Alok UK) , a fellow subsidiary of the Company had issued unsecured floating rate compulsorily convertible bonds ("Bonds") for an aggregate amount of up to Rs 252 crores (U.S\$ 56.50 million) to Deutsche Bank AG, Singapore Branch, with a green shoe option of Rs 111 crores (USD 25 million). The Bonds will be convertible into ordinary shares of GBP0.001 each of the Grabal Alok UK at the end of maturity.

The Company, had entered into a 'put option' deed with Deutsche Bank AG, Hong Kong branch, pursuant to which it has agreed to purchase the bonds from the holders of the bonds between the 33rd month (July 2013) to 42nd month (April 2014) from the issue date mentioned in the put option deed.

Accordingly, the company has purchased compulsorily convertible bonds of USD 56,500,000 carried at Rs. 3,536,380,200 (previous period USD 13,917,850 carried at Rs. 873,720,869) from Deutsche bank. Such bonds are converted into 41,113,226,000 Equity shares of GBP 0.001 each on 27 March 2015.

- b) The Company has exposure of USD 166,674,460 (Rs. 10,432,287,786) in Grabal Alok (UK) Ltd ("GA UK"), an associate company, which runs a chain of value format clothing stores under the brand "Store Twenty One" across UK, Scotland and Wales. The exposure includes investments in equity shares of USD 143,831,418 (Rs 9,002,523,490), investment in convertible loans and bonds (net) of USD 33,578,982 (Rs 2,101,735,355) and loan given of USD 4,966,689 (Rs. 310,869,023) as on 31 March 2015.

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

The management of this company has out of abundant precaution recognised a diminution in the financial statements. The Company has recognised "other than temporary" diminution in investments of USD 143,831,418 (Rs 9,002,523,490).

18. During an earlier year, the Company entered into a Silent Risk Participation Agreement (SRPA) with Axis Bank with respect to loan of USD 3.5 million taken by Grabal Alok (UK) Limited from Lehman Bros. In pursuance of such agreement, Axis bank took over Lehman's share of loan and transferred it to the Company. By virtue of this agreement, the Company paid USD 3.5 million plus interest thereon to Axis Bank in the earlier year and accounted for such amount as recoverable from Grabal Alok (UK) Limited.

However, on liquidation of Lehman Bros, the liquidator did not recognise such SRPA and the payment already made by Axis Bank to Lehman Bros of USD 3.5 million. As per the liquidation procedures, Grabal Alok (UK) Limited was required to pay USD 3.5 million to Lehman, though already paid by the Company on its behalf through Axis Bank. Since the payment to Lehman was made twice, Axis Bank is now in discussions with Liquidator of Lehman Bros for refund of USD 3.5 million paid by it. The Company has accounted such amount as recoverable from Lehman Brother through Axis Bank. Axis bank has confirmed to the Company that such matter has been taken up with Lehman and that it would refund the USD 3.5 million plus interest or the settled amount to the Company as and when it will receive it from the liquidator of Lehman Bros. However, out of abundant caution, the Company has made a provision of USD 3.5 million plus interest of USD 477,665 as doubtful of recovery in the previous year. During the period the company has recovered USD 1,297,428 (previous period USD 533,979) the same has been disclosed in Other Income & accordingly provision amount has been reduced.

19. SEGMENT REPORTING

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

20. EARNINGS PER SHARE (EPS)

Particulars	18 MONTHS ENDED 31-Mar-15		18 MONTHS ENDED 30-Sept-13	
	Rupees	USD	Rupees	USD
Loss for the period	(9,424,216,639)	(153,477,397)	(763,394,319)	(13,626,585)
Weighted average number of equity shares	50,000	50,000	50,000	50,000
Nominal Value of equity share	N.A.	1.00	N.A.	1.00
Basic and Diluted Earnings per share (not annualised)	(188,484.33)	(3,069.55)	(15,267.89)	(272.53)

Alok Industries International Limited
 The signature is handwritten and appears to be 'P. M. ...'. The stamp is circular with the company name and logo.

ALOK INDUSTRIES INTERNATIONAL LIMITED

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

21.

DERIVATIVE FINANCIAL INSTRUMENTS

- a) There are no derivative instruments outstanding as at period end.
 b) The period end foreign currency exposure that has not been hedged by derivative instruments or otherwise are as below:

Particulars	Foreign Currency	Amt in Foreign Currency	Rupees	USD
Cash and Bank Balance	Euro	2,079	140,391	2,243
		(5,323)	(450,739)	(7,180)
	GBP	6	626	10
		(941)	(95,484)	(1,521)
Loans given	Euro	4,020,000	23,242,518	4,335,972
		(6,822,946)	(547,699,557)	(8,724,526)
	GBP	3,362,232	310,869,023	4,966,689
		(-)	(-)	(-)
Temporary overdrawn bank balance	CHF	-	-	-
		(834)	(54,292)	(865)
Sundry Creditors	GBP	10,629,995	982,840,083	15,702,629
		(11,022,305)	(1,051,056,905)	(16,742,707)
	INR	674,160	674,160	10,771
		(674,160)	(674,160)	(10,739)

*Figures of Previous year are given in bracket

22. EXPENDITURE IN 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 2015, disclosed in US dollar is extracted from the books of accounts locally maintained and converted into Indian Rupees as disclosed under basis of preparation stated above. The amounts in Balance Sheet, Statement of Profit and Loss and cash flow statement are rounded off to the nearest Rupee / USD. Previous period figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

24. The Company has extended its accounting year end from 31 March 2014 to 31 March 2015. Accordingly, figures for the current period are for a period of 18 months from 1 October 2013 to 31 March 2015. Figures for the previous period are for a period of 18 months from 01 April 2012 to 30 September 2013.

Signatures to Notes 1 to 24

As per our report of even date

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

Narendra Poddar, Proprietor
Membership No. 41256



Mumbai, 28th May, 2015

For and on behalf of the Board

Ashok B. Jiwrajka
Director

Dilip B. Jiwrajka
Director

Surendra B. Jiwrajka
Director