

# Narendra Poddar & Co.

CHARTERED ACCOUNTANTS

Narendra Poddar

B.Com., F.C.A.

1103, Avon Galaxy, Opp. Tata Steel,  
Dattapada Road, Borivali (East),  
Mumbai - 400 066.

Mobile : 98210 96073.

Email : narendrapoddar@rediffmail.com

INDEPENDENT AUDITOR'S REPORT Date .....

To the Members of GRABAL ALOK INTERNATIONAL LIMITED

## Report on the Financial Statements

1. We have audited the accompanying financial statements of **GRABAL ALOK INTERNATIONAL LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2016**, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

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

## Auditor's Responsibility

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

  
*Narendra Poddar*

**GRABAL ALOK INTERNATIONAL LIMITED**

**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 2016, and its loss and its cash flows for the period from April 01, 2015 to March 31, 2016.

**Report on Other Legal and Regulatory Requirements**

7. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order
8. As required by section 143(3) of the Act, we further report that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
  - e) on the basis of written representations received from the directors as on **March 31, 2016**, and taken on record by the Board of Directors, none of the directors is disqualified as on **March 31, 2016**, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
  - g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014::
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
    - iii. There has not been an occasion in case of the Company during the period under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

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

*P. Narendra*  
Narendra Poddar, Proprietor  
Membership No. 41256

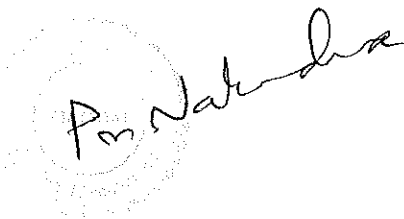


Mumbai, - 24<sup>th</sup> May, 2016

**"Annexure A" to the Independent Auditors' Report**  
**GRABAL ALOK INTERNATIONAL LIMITED**

Referred to in paragraph 7 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- I. The Company is not having any fixed assets. Accordingly, paragraphs (i)(a),(b) and (c) of the order are not applicable
- II. The Company is not having any inventory. Accordingly, paragraphs (ii)(a) and (b) of the order are not applicable
- III. The Company has granted unsecured loans to other parties covered in the Register maintained under section 189 of the Act.
  - a) The terms and conditions of the grant of such loans are not prejudicial to the company's interest
  - b) The loan is interest free and payable on demand.
  - c) Since the loan is payable on demand, accordingly, paragraphs (iii)(c) of the Order is not applicable
- IV. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security
- V. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- VI. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- VII.
  - a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues wherever applicable with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
  - b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- VIII. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.



The image shows a handwritten signature in black ink, which appears to be "P. M. N. D. S.". Below the signature is a circular stamp, likely an official seal or stamp of the auditor or company, though the text within it is not clearly legible.

**GRABAL ALOK INTERNATIONAL LIMITED**

- IX. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- X. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- XI. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has not been paid or provided by the company.
- XII. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- XIII. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- XIV. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- XV. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- XVI. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon

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

**Narendra Poddar, Proprietor**  
Membership No. 41256

Mumbai – 24<sup>th</sup> May, 2016



**"Annexure B" to the Independent Auditor's Report of even date on the Financial Statements of GRABAL ALOK INTERNATIONAL LIMITED**

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

We have audited the internal financial controls over financial reporting of GRABAL ALOK INTERNATIONAL LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in 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

*P. Narada*

**GRABAL ALOK INTERNATIONAL LIMITED**

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.

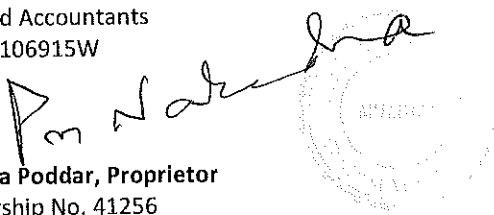
**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

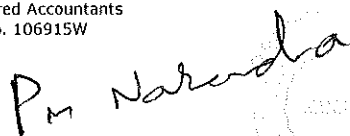

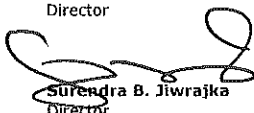
**For Narendra Poddar & Co.**  
Chartered Accountants  
FRN No. 106915W



**Narendra Poddar, Proprietor**  
Membership No. 41256  
Mumbai – 24<sup>th</sup> May, 2016

## GRABAL ALOK INTERNATIONAL LIMITED

## BALANCE SHEET AS AT 31 MARCH 2016

PARTICULARS	NOTES	AS AT 31-Mar-16 Rupees	AS AT 31-Mar-16 USD	AS AT 31-Mar-15 Rupees	AS AT 31-Mar-15 USD
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' funds</b>					
Share capital	3	1,212,348,648	26,915,599	1,212,348,648	26,915,599
Reserves and surplus	4	(5,284,758,486)	(88,309,115)	(4,758,007,998)	(83,563,851)
		(4,072,409,838)	(61,393,516)	(3,545,659,350)	(56,648,252)
<b>Non-current liabilities</b>					
Long-term borrowings	5	4,869,088,962	73,403,831	4,594,404,487	73,403,831
<b>Current liabilities</b>					
Short term borrowings	6	2,989,241,653	45,064,239	2,523,779,642	40,321,895
Trade payable	7	239,707	3,616	674,160	10,771
Other current liabilities	8	12,892	194	-	-
<b>TOTAL</b>		<b>3,786,173,376</b>	<b>57,078,364</b>	<b>3,573,198,939</b>	<b>57,088,245</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Non-current investments	9	3,747,808,850	56,500,000	3,536,380,200	56,500,000
<b>Current Assets</b>					
Cash and bank balances	10	7,941	120	626,000	10,001
Short-term loans and advances	11	38,356,585	578,244	36,192,739	578,244
<b>TOTAL</b>		<b>3,786,173,376</b>	<b>57,078,364</b>	<b>3,573,198,939</b>	<b>57,088,245</b>
Notes forming part of the financial statements	1 to 21				
As per our report of even date					
<b>For Narendra Poddar &amp; Co.</b> Chartered Accountants FRN No. 106915W  <b>Narendra Poddar, Proprietor</b> Membership No. 41256			For and on behalf of the Board  <b>Ashok B. Jiwrajka</b> Director  <b>Dilip B. Jiwrajka</b> Director  <b>Surendra B. Jiwrajka</b> Director		
Mumbai, 24th May, 2016					

**GRABAL ALOK INTERNATIONAL LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2016**

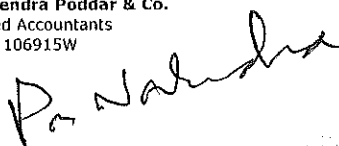
PARTICULARS	NOTES	12 Months Ended 31-MAR-16		18 Months Ended 31-Mar-15	
		Rupees	USD	Rupees	USD
<b>REVENUE</b>					
Other income	12	637,784	9,742	-	-
<b>Total</b>		<b>637,784</b>	<b>9,742</b>	<b>-</b>	<b>-</b>
<b>EXPENSES</b>					
Finance costs	13	310,666,006	4,745,813	425,367,440	6,927,291
Other expenses	14	601,768	9,193	4,005,092,549	65,224,645
<b>Total</b>		<b>311,267,774</b>	<b>4,755,006</b>	<b>4,430,459,989</b>	<b>72,151,936</b>
<b>LOSS FOR THE PERIOD</b>		<b>(310,629,990)</b>	<b>(4,745,264)</b>	<b>(4,430,459,989)</b>	<b>(72,151,936)</b>
<b>EARNINGS PER SHARE</b>					
Basic and Diluted (not annualised)	19	(6,209.50)	(94.86)	(88,564.92)	(1,442.32)

Notes forming part of the financial statements

1 to 21

As per our report of even date

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




**Narendra Poddar, Proprietor**  
Membership No. 41256



For and on behalf of the Board

**Ashok B. Jiwrajka**  
Director

**Dilip B. Jiwrajka**  
Director



**Surendra B. Jiwrajka**  
Director

Mumbai, 24th May, 2016



**GRABAL ALOK INTERNATIONAL LIMITED**

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2016**

PARTICULARS	12 Months Ended 31-MAR-16		18 Months Ended 31-Mar-15	
	Rupees	USD	Rupees	USD
<b>A) Cash Flow from Operating Activities</b>				
Loss for the period	(310,629,990)	(4,745,264)	(4,430,459,989)	(72,151,936)
<b>Adjustments for :</b>				
Unrealised exchange (gain) / loss	(48,295)	(780)	128,095	2,055
Interest income	-	-	-	-
Finance costs	310,666,006	4,745,813	425,367,440	6,927,291
Provision for diminution in value of investment (Refer note no. 18)	-	-	4,003,460,733	65,198,070
<b>Operating loss before working capital changes</b>	<b>(12,279)</b>	<b>(231)</b>	<b>(1,503,721)</b>	<b>(24,520)</b>
<b>Adjustments for :</b>				
(Decrease) / Increase in current liabilities	(455,674)	(6,961)	(614,043,931)	(9,999,968)
Decrease in loans and advances	-	-	192,960,976	3,142,452
<b>Net cash generated from / (used in) operating activities (A)</b>	<b>(467,953)</b>	<b>(7,192)</b>	<b>(422,586,676)</b>	<b>(6,882,036)</b>
<b>B) Cash flow from investing activities</b>				
Purchase of investment	-	-	(2,614,739,447)	(42,582,150)
Interest received	-	-	-	-
Fixed Deposits matured	-	-	-	-
<b>Net cash generated from / (used in ) investing activities (B)</b>	<b>-</b>	<b>-</b>	<b>(2,614,739,447)</b>	<b>(42,582,150)</b>
<b>C) Cash flow from financing activities</b>				
proceeds from long-term borrowings	4,805,093,150	73,403,832	4,507,332,120	73,403,831
Repayment of long-term borrowings	(4,805,093,085)	(73,403,832)	(2,456,183,585)	(40,000,000)
Finance costs	(310,666,006)	(4,745,813)	(425,367,440)	(6,927,291)
Short term borrowing (net)	310,438,897	4,742,344	1,411,131,444	22,980,879
<b>Net cash (used in) / generated from Financing activities (C)</b>	<b>(227,044)</b>	<b>(3,469)</b>	<b>3,036,912,539</b>	<b>49,457,419</b>
<b>Net decrease in Cash and Cash equivalents (A+B+C)</b>	<b>(694,997)</b>	<b>(10,661)</b>	<b>(413,584)</b>	<b>(6,767)</b>
<b>Cash and Cash equivalents at the beginning of the period</b>	<b>670,037</b>	<b>10,717</b>	<b>1,097,622</b>	<b>17,484</b>
Effect of exchange rate change on cash and cash equivalent	28,643	-	(14,001)	-
<b>Cash and Cash equivalents at the end of the period</b>	<b>3,683</b>	<b>56</b>	<b>670,037</b>	<b>10,717</b>

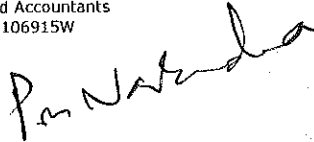
**NOTES TO CASH FLOW STATEMENT**

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

Particulars	As At 31-MAR-16		As At 31-Mar-15	
	Rupees	USD	Rupees	USD
Cash and Bank balances	7,941	120	626,000	10,001
Add / Less:				
Effect of exchange rate change	(4,258)	(64)	44,037	716
<b>Cash and Cash equivalents as restated</b>	<b>3,683</b>	<b>56</b>	<b>670,037</b>	<b>10,717</b>

As per our report of even date

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



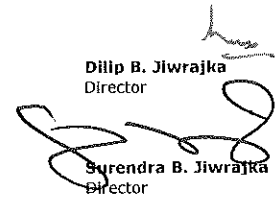
**Narendra Poddar, Proprietor**  
Membership No. 41256

For and on behalf of the Board

**Ashok B. Jiwrajka**  
Director

**Dilip B. Jiwrajka**  
Director

**Surendra B. Jiwrajka**  
Director



Mumbai, 24th May, 2016

GRABAL ALOK INTERNATIONAL LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE PERIOD 01 APRIL 2015 TO 31 MARCH 2016

**1. BACKGROUND**

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

The Company continued to incur losses during the period resulting in significant accumulated losses as on 31 March 2016. The Company continues to be supported (financially and operationally) by Alok Industries Limited, the ultimate holding company and is contemplating various options to improve the business operations in future. On that basis, the accounts of the Company are prepared on going concern basis.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Preparation of Financial Statements**

a) The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. These financial statements are prepared solely for the purpose of consolidation by Alok Industries Limited, the ultimate holding company, and to comply with the provisions of Section 212 of the Indian Companies Act, 1956.

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

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

- (i) All income and expenses are translated at the average rate of exchange prevailing during the period.
- (ii) Assets and liabilities are translated at the closing rate on the balance sheet date.
- (iii) Share Capital including share application money is translated at historical rates.
- (iv) The resulting exchange difference is accumulated in 'Foreign Currency Translation Reserve'.

**B. Use of Estimates**

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

**C. Revenue Recognition**

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

**D. Investments**

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

**E. Foreign Currency Transactions**

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

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

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

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

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

**G. Cash Flow Statement**

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

**GRABAL ALOK INTERNATIONAL LIMITED**

**NOTES TO FINANCIAL STATEMENT FOR THE PERIOD 01 APRIL 2015 TO 31 MARCH 2016**

PARTICULARS	AS AT 31-Mar-16 Rupees	AS AT 31-Mar-16 USD	AS AT 31-Mar-15 Rupees	AS AT 31-Mar-15 USD
<b>3. SHARE CAPITAL</b>				
<b>(a) Authorised Shares</b>				
100,000 Equity Shares of USD 1 each	4,437,275	100,000	4,437,275	100,000
65,000,000 Class A Cumulative Redeemable Preference Shares of USD 1 each	2,902,250,000	65,000,000	2,902,250,000	65,000,000
100,000,000 Class B Cumulative Redeemable Preference Shares of USD 1 each	4,465,000,000	100,000,000	4,465,000,000	100,000,000
	<u>7,371,687,275</u>	<u>165,100,000</u>	<u>7,371,687,275</u>	<u>165,100,000</u>
<b>(b) Issued, subscribed and fully paid-up shares</b>				
<b>Equity Share Capital</b>				
50,025 Equity Shares of USD 1 each fully paid up	2,205,891	50,025	2,205,891	50,025
<b>Preference Share Capital</b>				
17,144,439 Class 'A' 1% Cumulative Redeemable Preference Shares of USD 1 each fully paid up	724,802,205	17,144,439	724,802,205	17,144,439
9,721,135 Class 'A' 0% Redeemable Preference Shares of USD 1 each fully paid up	485,340,552	9,721,135	485,340,552	9,721,135
<b>TOTAL</b>	<u>1,212,348,648</u>	<u>26,915,599</u>	<u>1,212,348,648</u>	<u>26,915,599</u>

**NOTE :**

**a) Reconciliation of equity shares outstanding at the beginning and at the end of reporting period**

**Number of Equity Shares**

Particulars	AS AT 31-Mar-16	AS AT 31-Mar-15
Opening balance	50,025	50,025
Issued during the period	-	-
<b>Closing balance</b>	<b>50,025</b>	<b>50,025</b>

**Amount of Equity Shares**

Particulars	AS AT 31-Mar-16 Rupees	AS AT 31-Mar-16 USD	AS AT 31-Mar-15 Rupees	AS AT 31-Mar-15 USD
Opening balance	2,205,891	50,025	2,205,891	50,025
Issued during the period	-	-	-	-
<b>Closing balance</b>	<b>2,205,891</b>	<b>50,025</b>	<b>2,205,891</b>	<b>50,025</b>

**b) Terms/rights attached to equity shares**

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

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

Name of the share holder	31-MAR-16		31-Mar-15	
	No of shares	%	No of shares	%
Alok Infrastructure Limited	50,025	100%	50,025	100%

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

**Number of Preference Shares**

Particulars	AS AT 31-Mar-16	AS AT 31-Mar-15
Opening balance	26,865,574	26,865,574
Issued during the period	-	-
<b>Closing balance</b>	<b>26,865,574</b>	<b>26,865,574</b>

## GRABAL ALOK INTERNATIONAL LIMITED

## NOTES TO FINANCIAL STATEMENT FOR THE PERIOD 01 APRIL 2015 TO 31 MARCH 2016

## Amount of Equity Shares

Particulars	AS AT	AS AT	AS AT	AS AT
	31-Mar-16	31-Mar-16	31-Mar-15	31-Mar-15
	Rupees	USD	Rupees	USD
Opening balance	1,210,142,757	26,865,574	1,210,142,757	26,865,574
Issued during the period	-	-	-	-
Closing balance	1,210,142,757	26,865,574	1,210,142,757	26,865,574

## e) Terms/rights attached to preference shares

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

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

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

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

Accordingly, there is no cumulative preference dividend liability on the above cumulative redeemable preference shares ((i) to (iii)) as on 31 March 2016.

## Class B Preference Shares:

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

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

Name of the share holder	AS AT 31-MAR-16		AS AT 31-Mar-15	
	No of shares	%	No of shares	%
Alok Infrastructure Limited	14,895,022	55%	14,895,022	55%
Alok Industries International Limited	11,970,552	45%	11,970,552	45%

## PARTICULARS

PARTICULARS	AS AT	AS AT	AS AT	AS AT
	31-Mar-16	31-Mar-16	31-Mar-15	31-Mar-15
	Rupees	USD	Rupees	USD
<b>4. RESERVES AND SURPLUS</b>				
<b>Foreign currency translation reserve</b>				
Balance as per last Balance Sheet	252,803,195		341,277,353	
Add: During the period	(216,120,498)		(88,474,158)	
	36,682,697	-	252,803,195	-
<b>Deficit in the Statement of Profit and Loss</b>				
Balance as per last Balance Sheet	(5,010,811,193)	(83,563,851)	(580,351,204)	(11,411,915)
Add: Loss for the period	(310,629,990)	(4,745,264)	(4,430,459,989)	(72,151,936)
	(5,321,441,183)	(88,309,115)	(5,010,811,193)	(83,563,851)
<b>TOTAL</b>	<b>(5,284,758,486)</b>	<b>(88,309,115)</b>	<b>(4,758,007,998)</b>	<b>(83,563,851)</b>
<b>5. LONG-TERM BORROWINGS (Unsecured)</b>				
Compulsorily Convertible Debentures [Refer note below]	3,316,645,000	50,000,000	4,594,404,487	73,403,831
Loans and advances from related party (Refer note no. 15)	1,552,443,962	23,403,831	-	-
<b>TOTAL</b>	<b>4,869,088,962</b>	<b>73,403,831</b>	<b>4,594,404,487</b>	<b>73,403,831</b>
<b>Note:</b>				
During the period Alok Worldwide Limited, a fellow subsidiary has purchased Compulsorily Convertible Debentures which were originally issued on 29 July 2011 to Triumphant Victory Holdings Limited and now are redeemable at the end of five year by bullet repayment as mutually decided between the Company and Alok Worldwide Limited.				
<b>6. SHORT TERM BORROWING (Unsecured)</b>				
Loans and advances from related party (Refer note no. 15)	2,989,241,653	45,064,239	2,523,779,642	40,321,895
<b>TOTAL</b>	<b>2,989,241,653</b>	<b>45,064,239</b>	<b>2,523,779,642</b>	<b>40,321,895</b>
<b>7. Trade Payables</b>				
Creditors for services	239,707	3,616	674,160	10,771
<b>TOTAL</b>	<b>239,707</b>	<b>3,616</b>	<b>674,160</b>	<b>10,771</b>

## GRABAL ALOK INTERNATIONAL LIMITED

## NOTES TO FINANCIAL STATEMENT FOR THE PERIOD 01 APRIL 2015 TO 31 MARCH 2016

PARTICULARS	AS AT	AS AT	AS AT	AS AT
	31-Mar-16 Rupees	31-Mar-16 USD	31-Mar-15 Rupees	31-Mar-15 USD
<b>8. Other Current Liabilities</b>				
Overdrawn bank balance	12,892	194	-	-
<b>TOTAL</b>	<b>12,892</b>	<b>194</b>	<b>-</b>	<b>-</b>
<b>9. NON CURRENT INVESTMENTS (at cost) (Unquoted)</b>				
Investments in Equity Instruments				
276,950,232 Ordinary shares in Grabal Alok (UK) Limited of GBP 0.001 each (Refer note no. 17)	4,324,777,058	65,198,070	4,080,799,360	65,198,070
Less: Provision for diminution in value of investment	(4,324,777,058)	(65,198,070)	(4,080,799,360)	(65,198,070)
Investments in bonds				
Compulsorily Convertible Bonds of Alok Industries International Ltd. (Refer note no. 16)	3,747,808,850	56,500,000	3,536,380,200	56,500,000
<b>TOTAL</b>	<b>3,747,808,850</b>	<b>56,500,000</b>	<b>3,536,380,200</b>	<b>56,500,000</b>
<b>Note:</b>	276,950,232 equity shares in Grabal Alok (UK) ltd. are pledged in favor of Axis Trustee Services Limited for the credit facility sanctioned by Axis Bank & Exim Bank to Alok Industries Limited.			
<b>10. CASH AND BANK BALANCES</b>				
Balance with bank				
In current accounts	7,941	120	626,000	10,001
<b>TOTAL</b>	<b>7,941</b>	<b>120</b>	<b>626,000</b>	<b>10,001</b>
<b>11. SHORT-TERM LOANS AND ADVANCES (Unsecured , considered good)</b>				
Loans and advances to related parties (Refer note no. 15)	38,356,585	578,244	36,192,739	578,244
<b>TOTAL</b>	<b>38,356,585</b>	<b>578,244</b>	<b>36,192,739</b>	<b>578,244</b>
PARTICULARS	12 Months Ended 31-MAR-16		18 Months Ended 31-Mar-15	
	Rupees	USD	Rupees	USD
<b>12. OTHER INCOME</b>				
Other Miscellaneous Receipts	633,526	9,678	-	-
Exchange rate gain (Net)	4,258	64	-	-
<b>TOTAL</b>	<b>637,784</b>	<b>9,742</b>	<b>-</b>	<b>-</b>
<b>13. FINANCE COSTS</b>				
Interest expense (Refer note no.15)	158,855,373	2,426,715	227,114,435	3,698,656
Other borrowing costs	151,810,633	2,319,098	198,253,005	3,228,635
<b>TOTAL</b>	<b>310,666,006</b>	<b>4,745,813</b>	<b>425,367,440</b>	<b>6,927,291</b>
<b>14. OTHER EXPENSES</b>				
Legal and professional fees	195,434	2,986	301,097	4,904
Exchange rate loss (net)	-	-	44,037	716
Provision for diminution in value of investment	-	-	4,003,460,733	65,198,070
Auditor's remuneration (including Service Tax)	68,700	1,049	679,477	11,066
Bank Charges & Commission	337,634	5,158	607,205	9,889
<b>TOTAL</b>	<b>601,768</b>	<b>9,193</b>	<b>4,005,092,549</b>	<b>65,224,645</b>

**GRABAL ALOK INTERNATIONAL LIMITED**

**NOTES TO FINANCIAL STATEMENT FOR THE PERIOD 01 APRIL 2015 TO 31 MARCH 2016**

**15. Related Parties Disclosures**

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

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

<u>Transaction</u>	<u>In Rupees</u>	<u>In USD</u>
<b>Equity Share Capital</b>		
<b>Alok Infrastructure Limited</b>		
Balance as at 1 October / 1 April	2,205,891 (2,205,891)	50,025 (50,025)
Allotted during the period	-	-
Balance as at Period end	2,205,891 (2,205,891)	50,025 (50,025)
<b>Preference Share Capital</b>		
<b>Alok Infrastructure Limited</b>		
Balance as at 1 October / 1 April	708,053,219 (708,053,219)	14,895,022 (14,895,022)
Allotted during the period (Share application money received in previous year)	- (-)	- (-)
Balance as at period end	708,053,219 (708,053,219)	14,895,022 (14,895,022)
<b>Alok Industries International Limited</b>		
Balance as at 1 October / 1 April	502,089,538 (502,089,538)	11,970,552 (11,970,552)
Allotted during the period	- (-)	- (-)
Balance as at period end	502,089,538 (502,089,538)	11,970,552 (11,970,552)
<b>Short term borrowing</b>		
<b>a) Alok Industries International Limited</b>		
Balance as at 1 October / 1 April	1,627,805,132 (1,087,746,843)	26,007,099 (17,327,156)
Received during the period	-	-
Repaid during the period	298,633 (1,146,611)	4,562 (20,467)
Translation Difference during the period	97,317,188 (541,204,900)	- (-)
Balance as at period end	1,724,823,687 (1,627,805,132)	26,002,537 (26,007,099)
<b>b) Alok Industries Limited</b>		
Balance as at 1 October / 1 April	1,496,544 (821,399)	23,910 (13,084)
Received during the period	71,549 (664,766)	1,093 (10,826)
Translation difference during the period	90,426 (10,379)	- (-)
Balance as at period end	1,658,519 (1,496,544)	25,003 (23,910)

## GRABAL ALOK INTERNATIONAL LIMITED

## NOTES TO FINANCIAL STATEMENT FOR THE PERIOD 01 APRIL 2015 TO 31 MARCH 2016

Transaction	In Rupees	In USD
<b>c) Triumphant Victory Holdings Limited</b>		
Balance as at 1 October / 1 April	645,009,336	10,305,178
Received during the period	(632,785,226)	(10,305,178)
Translation difference during the period	38,563,007 (12,224,110)	- (-)
Balance as at period end	683,572,343 (645,009,336)	10,305,178 (10,305,178)
<b>d) Alok Worldwide Limited</b>		
Balance as at 1 October / 1 April	249,468,637	3,985,708
Received during the period	310,665,982 (244,740,764)	4,745,813 (3,985,708)
Translation difference during the period	19,052,499 (4,727,873)	- (-)
Balance as at period end	579,187,118 (249,468,637)	8,731,521 (3,985,708)
<b>Long term borrowing (including current maturities and short-term borrowings)</b>		
<b>a) Triumphant Victory Holdings Limited</b>		
Balance as at 1 October / 1 April	(3,138,850,000)	(50,000,000)
Received / (repaid) during the period	(3,138,850,000)	(50,000,000)
Translation difference during the period	-	-
Balance as at period end	-	-
<b>b) Alok Worldwide Limited</b>		
Balance as at 1 October / 1 April	3,129,540,000	77,389,539
Received during the period	(4,752,072,884)	(77,389,539)
Translation difference during the period	187,105,000 (1,622,532,884)	- (-)
Balance as at period end	3,316,645,000 (3,129,540,000)	73,403,831 (77,389,539)
<b>Investment</b>		
<b>Grabal Alok (UK) Limited</b>		
Balance as at 1 October / 1 April	4,080,799,360	65,198,070
Received during the period	(4,092,939,241)	(65,198,070)
Translation difference during the period	243,977,698 12,139,881	- (-)
Balance as at period end	4,324,777,058 (4,080,799,360)	65,198,070 (65,198,070)
<b>Provision for diminution in investment in Grabal Alok (UK) Limited</b>		
Balance as at 1 October / 1 April	4,080,799,360	65,198,070
Provided during the period	(-)	(-)
Translation difference during the period	243,977,698 (-)	- (-)
Balance as at period end	4,324,777,058 (4,080,799,360)	65,198,070 (65,198,070)

## GRABAL ALOK INTERNATIONAL LIMITED

## NOTES TO FINANCIAL STATEMENT FOR THE PERIOD 01 APRIL 2015 TO 31 MARCH 2016

Transaction	In Rupees	In USD
<b>Alok Industries International Limited</b>		
Balance as at 1 October / 1 April	3,536,380,200 (873,720,870)	56,500,000 (13,917,850)
Addition during the period	(2,614,739,447)	(42,582,150)
Translation difference during the period	211,428,650 (47,919,883)	- (-)
Balance as at period end	3,747,808,850 (3,536,380,200)	56,500,000 (56,500,000)
<b>Short term loans and advances</b>		
<b>a) Triumphant Victory Holdings Limited</b>		
Balance as at 1 October / 1 April	(97,036,030)	(1,545,726)
Paid during the period	(94,914,671)	(1,545,726)
Translation difference during the period	2,121,359	(-)
Balance as at period end	-	-
<b>b) Alok Infrastructure Limited</b>		
Balance as at 1 October / 1 April	36,192,739 (36,300,408)	578,244 (578,244)
Translation difference during the period	2,163,846 107,669	- (-)
Balance as at period end	38,356,585 (36,192,739)	578,244 (578,244)
<b>Interest Paid</b>		
Triumphant Victory Holdings Limited	(81,892,417)	(1,333,653)
Alok Worldwide Limited	158,855,353 (145,222,018)	2,426,715 (2,365,003)
<b>Borrowing cost</b>		
Triumphant Victory Holdings Limited	(687,977)	(11,204)
Alok Worldwide Limited	112,571,826 (99,518,732)	1,719,676 (1,620,705)

Note : Figures of previous period are given in brackets.



**GRABAL ALOK INTERNATIONAL LIMITED**

**NOTES TO FINANCIAL STATEMENT FOR THE PERIOD 01 APRIL 2015 TO 31 MARCH 2016**

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

During the previous year, the Company had purchased bonds amounting to USD 56,500,000 (previous period USD 56,500,000) {Rs. 3,747,808,850 (previous period Rs. 3,536,380,200)}.

17. The Company has equity exposure of USD 65,198,070 (Rs 4,324,777,058) in Grabal Alok (UK) Ltd ("GA UK"), an associate company, which runs a chain of value format clothing stores under the brand "Store Twenty One" across UK, Scotland and Wales.

The management of Alok Industries Ltd ("Holding company") is considering exiting this business since the group's efforts in revamping the business have not made much headway primarily due to economic downturn in the UK economy. At the same time, GA UK, with support from the holding company is working on plans / options to turnaround this company and with a visible revival of the UK economy, believes that there is significant value which can be realised. Further, the Holding Company management, in the process of assessing the recoverability of goodwill on consolidation relating to GA UK appearing in their balance sheet, got in to certain early stage negotiations with potential buyers which indicates a recoverable value of approximately Rs 450 crores.

The management of this company has out of abundant precaution recognised 100% diminution in the financial statements. The Company has recognised "other than temporary" diminution in investments of USD 65,198,070 (Rs 4,324,777,058) .

**18. Segment Reporting**

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

**19. Earnings per share**

Particulars	12 Months Ended 31-MAR-16		18 Months Ended 31-Mar-15	
	Rupees	USD	Rupees	USD
Net Loss for the period	(310,629,990)	(4,745,264)	(4,430,459,989)	(72,151,936)
Add: Arrears of Cumulative Preference Dividend (refer note 3(e))	-	-	-	-
Net Loss available for equity share holders	(310,629,990)	(4,745,264)	(4,430,459,989)	(72,151,936)
Weighted average number of equity shares (Nos.)	50,025	50,025	50,025	50,025
Nominal Value of equity share	N.A.	1.00	N.A.	1.00
Basic and Diluted Earnings per share (not annualised)	(6,209.50)	(94.86)	(88,564.92)	(1,442.32)

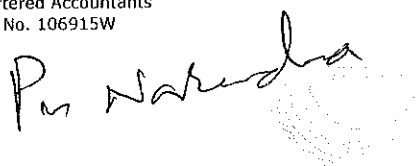
**20. Expenditure in Foreign Currency**

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

21. The information contained in the financial statements for the period ended 31 March 2016, disclosed in US dollars is extracted from the books of accounts locally maintained and converted into Indian Rupees as disclosed under basis of preparation stated above and the amounts in Balance Sheet, Statement of Profit and Loss and cash flow statement are rounded off to the nearest Rupee / USD. Previous period 's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.

**Signatures to Notes 1 to 21**

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, 24th May, 2016