

STORE
TWENTY
ONE

Grabal Alok (UK) Limited

NON-STATUTORY FINANCIAL STATEMENTS
for the period ended

28 September 2013

Grabal Alok (UK) Limited

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Grabal Alok (UK) Limited

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

A B Jiwrajka
D B Jiwrajka
S B Jiwrajka
K S Tatla
I Vaswani
A Jhunjhunwala
M Westmoreland

SECRETARY

P Soni

REGISTERED OFFICE

Tureck House
Drayton Road
Shirley
Solihull
West Midlands
B90 4NG

AUDITOR

Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

BANKERS

State Bank of India
London Branch,
15 King Street,
London
EC2V 8EA

Barclays Bank Plc
North Street
Brighton
East Sussex
BN1 1SF

Grabal Alok (UK) Limited

NON-STATUTORY DIRECTORS' REPORT

The Directors are pleased to submit their non-statutory report and non-statutory financial statements of Grabal Alok (UK) Limited for the period ended 28 September 2013.

PRINCIPAL ACTIVITY

The principal activity of the Group headed by Grabal Alok (UK) Limited throughout the period was the retailing of clothing and homewares, trading as the brand names of "QS" and "Store Twenty One".

REVIEW OF THE BUSINESS

The 6 months period ending 28 September 2013 has been a tough but the company with its turnaround strategy adopted in last 12 months was able to improve its performance even when the retail sector in UK largely remains affected by the continued recession. This however still resulted in loss of £6.06 million in 6 months compared to a loss in full year to March 2013 of £17.89 million. We were able to retain the turnover of the Company, even after closure of few loss making stores which allowed better margins to be achieved in the first half of the current of the period.

The Company trades in the retail market which is the most affected by the low consumer spending caused by the recession. In addition this year it was a late summer which lasted longer than expected has resulted in a less demand for clothing in the UK. Company is confident of achieving its full year target with a strong December quarter.

To improve the Group's position in the coming year, a considerable amount of work has gone into improving the value proposition of the Company. We have improved our communication and marketing strategy by offering value driven opening price points to our customers. We have achieved this by increasing the level of buying via our offices in China, India and Bangladesh.

Following on from the improved margins of the previous year and continued drive to optimise the same along with the focus on reduction of its operating costs the Directors are confident of achieving its targets in the current year.

The current store portfolio still remains under continuous review to ensure that the selling space and stores meet the criteria for profit contribution.

The company also has plan to open 5 new stores pre - Christmas

KEY PERFORMANCE INDICATORS

The business is still in the process of re-establishing itself in the retail market with the new brand identity "Store Twenty One".

The Directors, with the continuing support of Alok Industries Limited and Alok Infrastructure Limited, are constantly reviewing their retail strategy to take full advantage of the opportunities being presented by the demise of some competitors.

The current primary key performance indicators for the business are to maintain a growth strategy based on a percentage increase in sales by value and volume, profitable year on year sales improvements, to increase the margin and to effectively use our working capital through more efficient supply chain management.

The financial key performance indicators that the Directors consider important to improving cost reduction and achieving profitability are as follows:-

- sales have fallen marginally by 4.7% on the previous period
- gross loss of 2.1% for the period compared to a gross loss of 3.7% for the 12 months to March 2013

Grabal Alok (UK) Limited

NON-STATUTORY DIRECTORS' REPORT

RESULTS AND DIVIDENDS

The trading results for the period and the group's financial position at the end of the period are shown in the attached non-statutory financial statements. The net loss for the period amounts to £6.1 million on net sales of £41.8 million against the previous year loss of £17.9 million on net sales of £93.2 million. In view of the re-investment and modernisation of the business, the directors do not recommend a dividend. In view of the losses incurred in the past, the directors are unable to recommend a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's overall risk management policy is based on the key risks which would prevent the group from reaching its business objectives.

Risks are reviewed by the board and the appropriate processes put in place to monitor and mitigate them.

PRINCIPAL RISKS AND UNCERTAINTIES

The key financial targets for the group are growth and profitability.

The group is not exposed to a material level of credit risk, being a retail business.

The group has an exposure to liquidity risk, that is, the adequacy of credit facilities, but has in place working capital facilities in the form of letters of credit and overdrafts facilities of £12 million from the State Bank of India, (London).

The overdraft facility is supported by Alok Industries Limited and the group is exposed to interest rate risk as the debt is at variable rates of interest.

The Alok Industries Limited and Grabal Alok Impex Limited together also provide a letter of credit facility to the company for purchase of goods.

COMPETITION

The retail industry is very competitive and to deliver improved financial performance the company recognises the need to understand the customers' demands and to provide a shopping environment which meets and exceeds their expectations.

The company continuously reviews its products as it recognises the opportunity presented by the demise of other clothing and homewares value retailers.

PEOPLE

The success of the business depends upon our people driving all aspects of the operation, in particular the sourcing of product, the operation of our stores and the management of our store operations. The recruitment and retention of experienced retail staff both in our stores and at our Support Centre is recognised as key to the delivery of company objectives.

We pride ourselves on our open communication and people development.

SUPPLY CHAIN

The business works closely with its suppliers to design and deliver our product range to the standards our customers associate with the brand at value prices.

The continued extension of the supplier base into international markets has brought further operational and financial benefits. Through effective supplier selection and the establishment of overseas offices to monitor quality locally, the business is well placed to optimise the supply chain.

Grabal Alok (UK) Limited

NON-STATUTORY DIRECTORS' REPORT

DIRECTORS

The directors who served the company during the period were as follows:

A B Jiwrajka
D B Jiwrajka
S B Jiwrajka
K S Tatla
I Vaswani
A Jhunjhunwala
M Westmoreland

EMPLOYMENT POLICIES

The group has continued its practice of keeping employees fully informed on matters affecting their employment and on the progress and financial performance of the company. This is carried out through presentations, informal meetings, regular briefings and departmental meetings.

The group is committed to the principle of equal opportunities in employment, ensuring that no employee or applicant is treated less favourably on the grounds of gender, race, colour, marital status or disability.

DISABLED EMPLOYEES

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

CREDITOR PAYMENT POLICY

For all trade creditors, it is the Group's policy to:

- agree the terms of payment at the start of business with that supplier;
- ensure that suppliers are aware of the terms of payment; and
- pay in accordance with its contractual and other legal obligations.

Trade creditor days for the Group for the period ended 28 September 2013 were 161 days (March 2013 – 54 days), based on the ratio of trade creditors at the end of the period to cost of sales.

THIRD PARTY INDEMNITY PROVISION

Qualifying third party indemnity provision for the benefit of one or more of the directors of the group was in force during the financial period.

MARKET VALUE OF LAND AND BUILDINGS

The directors have reviewed the market value of the properties and are of the opinion that the carrying value of the freehold property should be reduced to £1.870 million as at 28 September 2013. They are of the opinion that the carrying value of the leasehold properties is not materially different from their market value.

Grabal Alok (UK) Limited

NON-STATUTORY DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

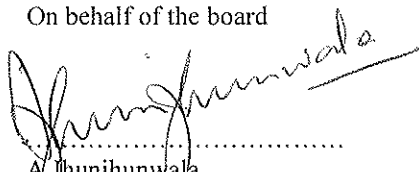
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITORS

The auditors, Kingston Smith LLP, are deemed to be reappointed under section 487 (2) of Companies Act 2006.

On behalf of the board


.....
A. Jhunjunwala
Director

...13.10.....2013

Grabal Alok (UK) Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRABAL ALOK (UK) LIMITED

We have audited the group and parent company non-statutory financial statements of Grabal Alok (UK) Limited for the six month period ended 28 September 2013 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group and Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report as the non-statutory financial statements and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the non-statutory financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the non-statutory financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE NON-STATUTORY FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the non-statutory financial statements sufficient to give reasonable assurance that the non-statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Group's and the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the non-statutory financial and non-financial information in the non-statutory Directors' Report prepared for the 26 week period ended 28 September 2013 to identify material inconsistencies with the audited non-statutory financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON THE NON-STATUTORY FINANCIAL STATEMENTS

In our opinion the non-statutory financial statements:

- give a true and fair view of the state of the Group's and the Parent Company's affairs as at 28 September 2013 and of the Group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

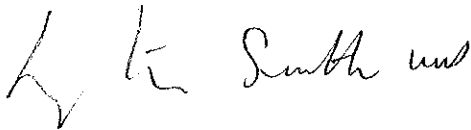
Grabal Alok (UK) Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRABAL ALOK (UK) LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



.....
Martin Muirhead (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

14/16/2013

Devonshire House
60 Goswell Road
London
EC1M 7AD

Grabal Alok (UK) Limited
 GROUP PROFIT AND LOSS ACCOUNT
 for the period ended 28 September 2013

| | Notes | Period from 31 Mar 13 to 28 Sep 13 £'000 | Period from 1 April 12 to 30 Mar 13 £'000 |
|--|-------|---|--|
| Turnover | 1 | 41,809 | 93,215 |
| Cost of sales | | (42,706) | (96,663) |
| Gross loss | | (897) | (3,448) |
| Distribution costs | | (1,184) | (3,121) |
| Administrative expenses | | (2,568) | (8,818) |
| Other operating income | 2 | 25 | 195 |
| Operating loss | 3 | (4,624) | (15,192) |
| Interest payable and similar charges | 6 | (1,433) | (2,732) |
| Interest receivable and similar income | 7 | 2 | 37 |
| Loss on ordinary activities before taxation | | (6,055) | (17,887) |
| Taxation | 8 | - | - |
| Loss for the period | 24 | (6,055) | (17,887) |

All of the losses for the period arise from continuing operations.

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

| | Period to 28 Sep 13 £'000 | Period to 31 Mar 12 £'000 |
|---|---------------------------------|---------------------------------|
| Loss for the period | (6,055) | (17,887) |
| Unrealised deficit on the revaluation of freehold property | - | (472) |
| Total gains and losses recognised since last annual report | (6,055) | (18,359) |

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account.

The notes on pages 12 to 27 form part of these non-statutory financial statements.

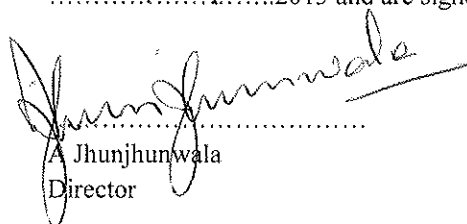
Grabal Alok (UK) Limited

GROUP BALANCE SHEET

as at 28 September 2013

| | Notes | 28 Sep 13 £'000 | 30 Mar 13 £'000 |
|--|-------|--------------------|--------------------|
| Fixed assets | | | |
| Intangible assets | 10 | - | - |
| Tangible assets | 11 | 21,607 | 23,063 |
| | | <u>21,607</u> | <u>23,063</u> |
| Current Assets | | | |
| Stock/goods for resale | 13 | 12,761 | 13,515 |
| Debtors | 14 | 17,974 | 17,688 |
| Cash at bank and in hand | | 1,492 | 1,878 |
| | | <u>32,227</u> | <u>33,081</u> |
| Current liabilities | | | |
| Creditors – due within one year | 15 | (37,040) | (34,131) |
| Net current liabilities | | <u>(4,813)</u> | <u>(1,050)</u> |
| Total assets less current liabilities | | 16,794 | 22,013 |
| Net assets | | <u>16,794</u> | <u>22,013</u> |
| Capital and Reserves | | | |
| Called up share capital | 21 | 569 | 569 |
| Share premium account | 22 | 99,221 | 99,221 |
| Profit and loss account | 22 | (144,967) | (138,912) |
| Convertible loan notes | 23 | 61,971 | 61,135 |
| Total shareholders funds | 24 | <u>16,794</u> | <u>22,013</u> |

The non-statutory financial statements were approved by the directors and authorised for issue on13.11.....2013 and are signed on their behalf by:


.....
A. Jhunjunwala
Director

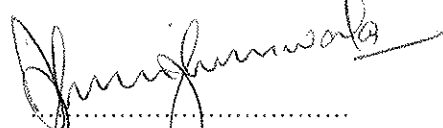
Registered Company No: 04246489

The notes on pages 12 to 27 form part of these non-statutory financial statements.

Grabal Alok (UK) Limited
 COMPANY BALANCE SHEET
 as at 28 September 2013

| | Notes | 28 Sep 13 £'000 | 30 Mar 13 £'000 |
|--|-------|--------------------|--------------------|
| Fixed assets | | | |
| Intangible assets | 10 | - | - |
| Tangible assets | 11 | 19,737 | 21,194 |
| Investments | 12 | 61 | 61 |
| | | <u>19,798</u> | <u>21,255</u> |
| Current Assets | | | |
| Stock/goods for resale | 13 | 12,761 | 13,515 |
| Debtors | 14 | 19,927 | 19,640 |
| Cash at bank and in hand | | 1,492 | 1,878 |
| | | <u>34,180</u> | <u>35,033</u> |
| Current liabilities | | | |
| Creditors – due within one year | 15 | (37,039) | (34,130) |
| Net current (liabilities)/assets | | <u>(2,859)</u> | <u>903</u> |
| Total assets less current liabilities | | 16,939 | 22,158 |
| Net assets | | <u>16,939</u> | <u>22,158</u> |
| Capital and Reserves | | | |
| Called up share capital | 21 | 569 | 569 |
| Share premium account | 22 | 99,221 | 99,221 |
| Profit and loss account | 22 | (144,822) | (138,767) |
| Convertible loan notes | 23 | 61,971 | 61,135 |
| Total shareholders funds | | <u>16,939</u> | <u>22,158</u> |

The non-statutory financial statements were approved by the directors and authorised for issue on 13. 9. 2013 and are signed on their behalf by:



 A Jhunhunwala
 Director

Registered Company No: 04246489

The notes on pages 12 to 27 form part of these non-statutory financial statements.

Grabal Alok (UK) Limited
GROUP CASH FLOW STATEMENT
for the period from 31 March 2013 to 28 September 2013

| | Notes | Period from 31 Mar 13 to 28 Sep 13 £'000 | Period from 1 April 12 to 30 Mar 13 £'000 |
|---|-------|---|--|
| Net cash inflow/(outflow) from operating activities | 25.a | 1,986 | (2,250) |
| Return on investments and servicing of finance | 25.b | (1,431) | (2,695) |
| Capital expenditure and financial investment | 25.b | (93) | (190) |
| Cash outflow before financing | | 462 | (5,135) |
| Financing | 25.b | 836 | 1,702 |
| Increase/(decrease) in cash in the period | 25.c | 1,298 | (3,433) |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN THE NET DEBT

| | Notes | 28 Sep 13 £'000 | 30 Mar 13 £'000 |
|---|-------|--------------------|--------------------|
| Increase/(decrease) in cash in the period | | 1,298 | (3,433) |
| Change in net debt | 25.c | 1,298 | (3,433) |
| Net debt brought forward | 25.c | (9,904) | (6,471) |
| Net debt carried forward | 25.c | (8,606) | (9,904) |

The notes on pages 12 to 27 form part of these non-statutory financial statements.

Grabal Alok (UK) Limited

NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS

for the period from 31 March 2013 to 28 September 2013

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The non-statutory financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards.

GOING CONCERN BASIS OF ACCOUNTING

The non-statutory financial statements have been prepared on a going concern basis which assumes that the group will be able to continue in operational existence for the foreseeable future.

The directors have prepared cash flow forecasts for a period of twelve months from the date of approval of these non-statutory financial statements, which show that the company, with parent company support, will be able to fund its operations for that period.

Notwithstanding the above, the directors have received notification from Alok Industries Limited, a group company, that they will continue to support the group for a period of at least twelve months from the date of approval of the non-statutory financial statements. On this basis the directors believe that it is appropriate to prepare the non-statutory financial statements on the going concern basis.

BASIS OF CONSOLIDATION

The consolidated non-statutory financial statements incorporate the financial statements of the company and all subsidiary undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the group profit and loss account after or up to the date that control passes respectively. As a consolidated group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

TURNOVER

Turnover represents sales of goods and services to retail customers less value added tax.

GOODWILL

Goodwill arising on acquisitions is capitalised and classified as an asset on the balance sheet. The provision for amortisation of goodwill is on a straight line basis over its useful life, being a period of five years.

Where the fair value of the separable net assets exceeds the fair value of the consideration for an acquired undertaking, the difference is treated as negative goodwill on acquisition and amortised through the profit and loss account in the period in which the non-monetary assets acquired are recovered. In the case of fixed assets this is the period over which they are depreciated, and in the case of current assets, the period over which they are sold or otherwise realised.

TRADEMARKS

Trademarks are initially recorded at cost and amortised over their useful economic life being 10 years from the date the asset was brought into use, and are stated after provision for impairment.

Grabal Alok (UK) Limited

NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS

for the period from 31 March 2013 to 28 September 2013

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| | |
|--------------------------|--------------------------------|
| Short leasehold premises | - over the period of the lease |
| Fixtures and fittings | - 4 to 10 years |
| Motor vehicles | - 4 to 5 years |

Freehold and long leasehold land and buildings

| | |
|----------------|------------------------|
| - Land | - No provision is made |
| - Buildings | - 35 years |
| - Improvements | - 12 to 25 years |

IMPAIRMENT TESTING

Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped by store (cash-generating units), which is the lowest level for which there are separately identifiable cash flows. Where there has been a change in the economic conditions or a change in the expected use of the asset that may indicate an increase in the recoverable amount, the previous impairment losses are reversed to the profit and loss account.

STOCKS

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis and includes overheads appropriate to the location and condition of the goods. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

OPERATING LEASE AGREEMENTS

The group's principal leased assets are properties held under operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Reverse premiums and capital contributions received on the acquisition of leasehold properties are treated as deferred income and released to the profit and loss account evenly, over the term of the lease or if shorter the period to the next rent review.

Rent free periods, as inducements to enter into operating lease agreements, are released to the profit and loss account over the period to the next rent review.

Rentals applicable to other operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

PENSION COSTS

The group operates defined contribution pension schemes for certain of its directors and employees. The assets of the schemes are held separately from those of the group in independently administered funds. Contributions to the schemes are charged to the profit and loss account as they become payable.

Grabal Alok (UK) Limited

NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS

for the period from 31 March 2013 to 28 September 2013

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

FOREIGN CURRENCIES

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Financial assets

Financial assets are stated at their fair value.

Bank borrowings

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Interest payable is accounted for on an accruals basis.

Trade creditors

Trade creditors are not interest bearing and are stated at their nominal value.

Convertible loan notes

The component parts of compound instruments issued by the group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. On initial recognition the financial liability component is recorded at its fair value. At the date of issue, in the case of a convertible bond denominated in the local currency of the issuer that may be converted into a fixed number of equity shares, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity and not subsequently re-measured.

Issue costs are apportioned between the liability and equity components of the convertible instrument based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly against equity.

The finance costs of the financial liability are recognised over the term of the debt at a constant rate on the carrying amount.

INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

The investments in subsidiary undertakings in the financial statements of the company are stated at cost less provision for impairment. Where there has been an impairment, any deficit is charged to the profit and loss account. The reversal of an impairment loss in a subsequent period is also recognised in the profit and loss account.

Grabal Alok (UK) Limited

NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS

for the period from 31 March 2013 to 28 September 2013

1. TURNOVER

Turnover and loss before tax are attributable to the one principle activity of the group from external customers and arose wholly in the United Kingdom.

An analysis of turnover is given below:

| | Period from 31 Mar 13 to 28 Sep 13 £'000 | Period from 1 April 12 to 30 Mar 13 £'000 |
|---------|---|--|
| Sales | 44,391 | 98,904 |
| Refunds | (2,582) | (5,689) |
| Net | <u>41,809</u> | <u>93,215</u> |

2. OTHER OPERATING INCOME

| | Period from 31 Mar 13 to 28 Sep 13 £'000 | Period from 1 April 12 to 30 Mar 13 £'000 |
|-----------------|---|--|
| Rent receivable | <u>25</u> | <u>195</u> |

3. OPERATING LOSS

Operating loss is stated after charging/(crediting):

| | Period from 31 Mar 13 to 28 Sep 13 £'000 | Period from 1 April 12 to 30 Mar 13 £'000 |
|--|---|--|
| Depreciation of assets | 1,509 | 3,162 |
| Disposal of assets | 40 | 406 |
| Impairment of property | - | 546 |
| Operating lease costs: | | |
| Land and buildings | 12,606 | 13,194 |
| Exchange differences | (1,388) | (315) |
| Auditors' remuneration – audit of the financial statements | 35 | 54 |
| Auditors' remuneration – other fees | <u>35</u> | <u>41</u> |

Grabal Alok (UK) Limited

NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS

for the period from 31 March 2013 to 28 September 2013

4. PARTICULARS OF EMPLOYEE

The average number of staff employed by the group during the financial period amounted to:

| Number of employees | Period from 31 Mar 13 to 28 Sep 13 £'000 | Period from 1 April 12 to 30 Mar 13 £'000 |
|----------------------------|---|--|
| Office and management | 89 | 88 |
| Distribution and retailing | 691 | 727 |
| | <u>780</u> | <u>815</u> |

The aggregate payroll costs of the above were:

| | Period from 31 Mar 13 to 28 Sep 13 £'000 | Period from 1 April 12 to 30 Mar 13 £'000 |
|-------------------------|---|--|
| Wages and salaries | 8,053 | 18,453 |
| Social security costs | 373 | 871 |
| Pension and other costs | 49 | 87 |
| | <u>8,475</u> | <u>19,411</u> |

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

| | Period from 31 Mar 13 to 28 Sep 13 £'000 | Period from 1 April 12 to 30 Mar 13 £'000 |
|-----------------------|---|--|
| Emoluments | 220 | 524 |
| Pension contributions | 12 | 2 |
| | <u>232</u> | <u>526</u> |

Highest paid director

| | Period from 31 Mar 13 to 28 Sep 13 £'000 | Period from 1 April 12 to 30 Mar 13 £'000 |
|-----------------------|---|--|
| Emoluments | 133 | 280 |
| Pension contributions | 7 | - |
| | <u>140</u> | <u>280</u> |

Grabal Alok (UK) Limited

NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS

for the period from 31 March 2013 to 28 September 2013

6. INTEREST PAYABLE AND SIMILAR CHARGES

| | Period from 31 Mar 13 to 28 Sep 13 £'000 | Period from 1 April 12 to 30 Mar 13 £'000 |
|---|---|--|
| Interest payable on bank borrowing | 237 | 495 |
| Discount on issue of convertible loan notes | 1,108 | 2,143 |
| Unwinding discount of provision | 73 | 80 |
| Finance charges | 15 | 14 |
| | <u>1,433</u> | <u>2,732</u> |

7. INTEREST RECEIVABLE AND SIMILAR INCOME

| | Period from 31 Mar 13 to 28 Sep 13 £'000 | Period from 1 April 12 to 30 Mar 13 £'000 |
|--------------------------|---|--|
| Bank interest receivable | 2 | 37 |
| | <u>2</u> | <u>37</u> |

8. TAXATION ON ORDINARY ACTIVITIES

There is no tax charge in the current or prior period due to the company being loss making.

| | Period from 31 Mar 13 to 28 Sep 13 £'000 | Period from 1 April 12 to 30 Mar 13 £'000 |
|---|---|--|
| Loss on ordinary activities before taxation | <u>(6,055)</u> | <u>(17,887)</u> |
| Loss on ordinary activities at standard rate of tax 23% (2013: 23%) | (1,393) | (4,114) |
| Expenses not deductible for tax purposes | - | 5 |
| Depreciation and capital allowances | (38) | 61 |
| Unrelieved tax losses | 1,431 | 4,048 |
| | <u>-</u> | <u>-</u> |

9. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

| | Period from 31 Mar 13 to 28 Sep 13 £'000 | Period from 1 April 12 to 30 Mar 13 £'000 |
|--|---|--|
| Loss attributable to members of the parent company | <u>(6,055)</u> | <u>(17,341)</u> |
| | <u>(6,055)</u> | <u>(17,341)</u> |

Grabal Alok (UK) Limited

NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS

for the period from 31 March 2013 to 28 September 2013

10. INTANGIBLE FIXED ASSETS

| | Goodwill £'000 | Trademarks £'000 | Total £'000 |
|--|-------------------|---------------------|----------------|
| Group | | | |
| Cost | | | |
| At 30 March 2013 and 28 September 2013 | 4,989 | 1,800 | 6,789 |
| Amortisation | | | |
| At 30 March 2013 and 28 September 2013 | 4,989 | 1,800 | 6,789 |
| Net book value | | | |
| At 28 September 2013 | - | - | - |
| At 30 March 2013 | - | - | - |
| Company | | | |
| Cost | | | |
| At 30 March 2013 and 28 September 2013 | | 1,800 | 1,800 |
| Amortisation | | | |
| At 30 March 2013 and 28 September 2013 | | 1,800 | 1,800 |
| Net book value | | | |
| At 28 September 2013 | | - | - |
| At 30 March 2013 | | - | - |

Grabal Alok (UK) Limited

NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS

for the period from 31 March 2013 to 28 September 2013

11. TANGIBLE FIXED ASSETS

| Group | Freehold Property £'000 | Short Leasehold premises £'000 | Long Leasehold Premises £'000 | Fixtures & Fittings £'000 | Motor Vehicles £'000 | Total £'000 |
|-----------------------------|-------------------------------|---|--|---------------------------------|----------------------------|----------------|
| Cost or Valuation | | | | | | |
| At 30 March 2013 | 1,870 | 4,798 | 220 | 37,120 | 368 | 44,376 |
| Additions | - | 23 | - | 101 | 6 | 130 |
| Disposals | - | (156) | - | (27) | (10) | (193) |
| At 28 September 2013 | 1,870 | 4,665 | 220 | 37,194 | 364 | 44,313 |
| Depreciation | | | | | | |
| At 30 March 2013 | - | 3,328 | 35 | 17,658 | 292 | 21,313 |
| Charge for the period | - | 102 | - | 1,353 | 54 | 1,509 |
| On disposals | - | (116) | - | - | - | (116) |
| At 28 September 2013 | - | 3,314 | 35 | 19,011 | 346 | 22,706 |
| Net book value | | | | | | |
| At 28 September 2013 | 1,870 | 1,351 | 185 | 18,183 | 18 | 21,607 |
| At 30 March 2013 | 1,870 | 1,470 | 185 | 19,462 | 76 | 23,063 |

The Freehold property was valued by Jones Lang Lasalle, Chartered Surveyors on 27 November 2012 in accordance with the Statement of Assets Valuation Practice No. 4 and the Guidance Notes of the Royal Institute of Chartered Surveyors. The valuation determined the value to be £1,870,000. The directors have reviewed this valuation in the light of current market conditions and are of the opinion the value at 28 September 2013 should remain at £1,870,000.

In respect of the fixed assets stated at valuation above, the comparable historical cost and depreciation values are as follows:

| | 28 Sep 13 £'000 | 30 Mar 13 £'000 |
|---|--------------------|--------------------|
| Historical cost: | | |
| Cost of assets revalued | 2,348 | 2,348 |
| Carried forward | 2,348 | 2,348 |
| Depreciation: | | |
| Aggregate depreciation on assets revalued | - | - |
| Carried forward | - | - |
| Net historical cost value | | |
| Carried forward | 2,348 | 2,348 |

Grabal Alok (UK) Limited

NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS

for the period from 31 March 2013 to 28 September 2013

11. TANGIBLE FIXED ASSETS (continued)

| Company | Short Leasehold premises £'000 | Long Leasehold Premises £'000 | Fixtures & Fittings £'000 | Motor Vehicles £'000 | Total £'000 |
|-----------------------------|---|--|---------------------------------|----------------------------|----------------|
| Cost | | | | | |
| At 30 March 2013 | 4,798 | 220 | 37,120 | 368 | 42,506 |
| Additions | 23 | - | 101 | 6 | 130 |
| Disposals | (156) | - | (27) | (10) | (193) |
| At 28 September 2013 | 4,665 | 220 | 37,194 | 364 | 42,443 |
| Depreciation | | | | | |
| At 30 March 2013 | 3,328 | 35 | 17,657 | 292 | 21,312 |
| Charge for the period | 102 | - | 1,354 | 54 | 1,510 |
| On disposals | (116) | - | - | - | (116) |
| At 28 September 2013 | 3,314 | 35 | 19,011 | 346 | 22,706 |
| Net book value | | | | | |
| At 28 September 2013 | 1,351 | 185 | 18,183 | 18 | 19,737 |
| At 30 March 2013 | 1,470 | 185 | 19,463 | 76 | 21,194 |

12. INVESTMENTS

| | Group Companies £'000 |
|-----------------------------|-----------------------------|
| Cost | |
| At 30 March 2013 | 61 |
| At 28 September 2013 | 61 |

The shares in subsidiary undertakings are subject to an impairment review at the end of each period.

The company's significant shareholdings are as follows:

| | Country of registration and operation | Equity Class | % Holding Direct | % Holding Indirect | Nature of Business |
|-----------------|--|----------------------|------------------------|--------------------------|-----------------------|
| QS Plc | England and Wales | Ordinary 1 shares | 100 | - | Lease holding |
| QS West Limited | England and Wales | Ordinary 1 shares | - | 100 | Lease holding |
| Be Wise Limited | England and Wales | Ordinary 1 shares | 100 | - | Property Holding |

Grabal Alok (UK) Limited

NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS

for the period from 31 March 2013 to 28 September 2013

13 STOCKS

| | September 2013 Group £'000 | March 2013 Group £'000 | September 2013 Company £'000 | March 2013 Company £'000 |
|------------------|-------------------------------------|---------------------------------|---------------------------------------|-----------------------------------|
| Consumables | 506 | 417 | 506 | 417 |
| Goods for resale | 12,255 | 13,098 | 12,255 | 13,098 |
| | 12,761 | 13,515 | 12,761 | 13,515 |

14 DEBTORS

| | September 2013 Group £'000 | March 2013 Group £'000 | September 2013 Company £'000 | March 2013 Company £'000 |
|---|-------------------------------------|---------------------------------|---------------------------------------|-----------------------------------|
| Other debtors | 372 | 905 | 324 | 857 |
| Prepayments and accrued income | 6,499 | 2,688 | 6,500 | 2,688 |
| Amounts due from group companies | - | - | 2,000 | 2,000 |
| Other debtors re convertible loan notes | 11,103 | 14,095 | 11,103 | 14,095 |
| | 17,974 | 17,688 | 19,927 | 19,640 |

15 CREDITORS amounts falling due within one year

| | September 2013 Group £'000 | March 2013 Group £'000 | September 2013 Company £'000 | March 2013 Company £'000 |
|--|-------------------------------------|---------------------------------|---------------------------------------|-----------------------------------|
| Bank loan and overdrafts | 9,969 | 10,857 | 9,969 | 10,857 |
| Trade creditors | 16,831 | 14,400 | 16,831 | 14,400 |
| Taxation and social security | 1,596 | 2,417 | 1,596 | 2,417 |
| Accruals and deferred income | 1,373 | 733 | 1,373 | 733 |
| Debt element of convertible loan notes | 129 | 925 | 129 | 925 |
| Other creditors | 7,142 | 4,799 | 7,141 | 4,798 |
| | 37,040 | 34,131 | 37,039 | 34,130 |

Bank loans and overdrafts relating to State Bank of India of £9.969 million (March 2013 – £10.857 million) are secured by fixed and floating charges over the assets of the company.

Grabal Alok (UK) Limited

NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS

for the period from 31 March 2013 to 28 September 2013

16 PENSIONS

The company operated defined contribution schemes for its employees. The assets of the schemes are held separately from those of the company in independently administered funds.

| | 28 Sep 13 £'000 | 30 Mar 13 £'000 |
|-----------------------|--------------------|--------------------|
| Pension contributions | 49 | 87 |
| | <u>49</u> | <u>87</u> |

Included in creditors at the year end were accruals totalling £26,554 (March 2013 - £9,955).

17 DEFERRED TAXATION

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of:

| Group | September 2013 Provided £'000 | September 2013 Unprovided £'000 | March 2013 Provided £'000 | March 2013 Unprovided £'000 |
|-------------------------------------|--|--|------------------------------------|--------------------------------------|
| Depreciation and capital allowances | - | (160) | - | (198) |
| Tax losses available | - | (33,139) | - | (31,705) |
| | - | <u>(33,299)</u> | - | <u>(31,903)</u> |

The elements of the company's deferred taxation, which result in a nil balance at the end of the period, together with details of other amounts not provided for, are as follows:

| Company | September 2013 Provided £'000 | September 2013 Unprovided £'000 | March 2013 Provided £'000 | March 2013 Unprovided £'000 |
|-------------------------------------|--|--|------------------------------------|--------------------------------------|
| Depreciation and capital allowances | - | (160) | - | (198) |
| Tax losses available | - | (33,139) | - | (31,705) |
| | - | <u>(33,299)</u> | - | <u>(31,903)</u> |

There is insufficient certainty concerning the recoverability of tax losses to justify recognising a deferred tax asset in respect of them.

Grabal Alok (UK) Limited

NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS

for the period from 31 March 2013 to 28 September 2013

18 COMMITMENTS UNDER OPERATING LEASES

At 28 September 2013 the group had annual commitments under non-cancellable operating leases as set out below.

Operating leases which expire:

| Group | September 2013 Land & Buildings £'000 | September 2013 Other Items £'000 | March 2013 Land & Buildings £'000 | March 2013 Other Items £'000 |
|--------------------------------|---|--|---|--|
| Operating leases which expire: | | | | |
| Within 1 year | 347 | 12 | 660 | 32 |
| Within 2-5 years | 4,014 | 280 | 3,627 | 152 |
| After more than 5 years | 8,280 | - | 8,908 | - |
| | 12,641 | 292 | 13,195 | 184 |

At 28 September 2013 the company had annual commitments under non-cancellable operating leases as set out below.

Operating leases which expire:

| Company | September 2013 Land & Buildings £'000 | September 2013 Other Items £'000 | March 2013 Land & Buildings £'000 | March 2013 Other Items £'000 |
|--------------------------------|---|--|---|--|
| Operating leases which expire: | | | | |
| Within 1 year | 143 | - | - | - |
| Within 2-5 years | 955 | - | 942 | - |
| After more than 5 years | 4,126 | - | 4,180 | - |
| | 5,224 | - | 5,122 | - |

The company has assumed responsibility for the operating leases of all group companies as shown in the group table above as it utilises these in its trade.

19. CONTINGENCIES

As at the balance sheet date the company had obligations under Letter of Credit arrangements for the purchase of goods, these amounted to £3.724 million (2013: £3.941 million).

Grabal Alok (UK) Limited

NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS

for the period from 31 March 2013 to 28 September 2013

20. RELATED PARTY TRANSACTIONS

The company had the following related party transactions with Alok Industries Limited, a company incorporated in India. At the year end, Alok Industries Limited indirectly owns 90 % of the share capital of Grabal Alok (UK) Limited.

| | 28 Sep 13 £'000 | 30 Mar 13 £'000 |
|--|--------------------|--------------------|
| Purchases of goods for resale | 238 | 2,083 |
| Creditors at year end for goods for resale – includes LCs in note 19 | 4,040 | 4,647 |
| Accounts receivable | 81 | - |

Included in other debtors is £nil (2013: £0.578 million) due from Mileta a.s. This company is a subsidiary of Alok Industries Limited. The company recharged Mileta a.s. £0.16 million (2013: £2.22 million) in the period.

Included in debtors, in convertible loan notes is £11.022 million (2013: £14.095 million) due from Alok Industries International Limited: These loan notes are detailed further in note 24.

Alok Infrastructure Limited, a subsidiary undertaking of Alok Industries Limited, was recharged under the unconditional and irrevocable undertaking £nil (2013: £4.98)

Included in creditors, is £1.013 million (2013: £nil) due to Alok International Inc.

Included in note 23 are £32.0 million in convertible loans notes issued to Alok Industries International Limited.

Included in note 23 are US\$56.5 million in convertible loan notes of which Alok Industries International Limited hold 25% (March 2013 – nil).

As part of the security detailed in note 15, the directors AB Jiwrajka, DB Jiwrajka and SB Jiwrajka have given personal guarantees to the State Bank of India along with a corporate guarantee given by Alok Industries Limited.

21. SHARE CAPITAL

| | 28 Sep 13 £'000 | 30 Mar 13 £'000 |
|--|--------------------|--------------------|
| Allotted, called up and fully paid | | |
| 568,536,714 Ordinary shares of £0.001 each | 569 | 569 |
| | <u>569</u> | <u>569</u> |

Grabal Alok (UK) Limited

NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS

for the period from 31 March 2013 to 28 September 2013

| 22. RESERVES | Share premium account £'000 | Revaluation reserve £'000 | Profit and loss account £'000 |
|--------------------------------|--------------------------------------|---------------------------------|--|
| Group | | | |
| Balance brought forward | 99,221 | - | (138,912) |
| Loss for the period | - | - | (6,055) |
| Balance carried forward | 99,221 | - | (144,967) |

| Company | Share premium account £'000 | Profit and loss account £'000 |
|--------------------------------|--------------------------------------|--|
| Balance brought forward | 99,221 | (138,767) |
| Loss for the period | - | (6,055) |
| Balance carried forward | 99,221 | (144,822) |

23. CONVERTIBLE LOAN NOTES

| | 28 Sep 13 £'000 | 30 Mar 13 £'000 |
|--------------------------------|--------------------|--------------------|
| Balance brought forward | 61,135 | 59,433 |
| Convertible loan notes issued | 836 | 1,702 |
| Balance carried forward | 61,971 | 61,135 |

Convertible loan notes issued to Alok Industries International Limited on following terms:

- £5.5 million convertible loan notes issued in March 2010, are convertible by the company into equity of the company on 22 March 2015 at a fixed conversion price of £0.25 per share unless the Company decides to repay the loan prior to the conversion date.
- £5.5 million convertible loan notes issued in March 2011, are convertible by the company into equity of the company on 28 March 2016 at a fixed conversion price of £0.25 per share unless the Company decides to repay the loan prior to the conversion date.
- £21.0 million convertible loan notes issued in March 2012, are convertible by the company into equity of the company on 30 March 2017 at a fixed conversion price of £0.25 per share unless the Company decides to repay the loan prior to the conversion date.

During the financial period ended March 2011, the company issued US\$56.5 million (£30.113 million) of convertible loan notes to unconnected third parties with compulsory conversion at maturity date of 29 July 2014. There is a fixed conversion rate of £1 to US\$1.55 and a fixed conversion price of £0.2992. In accordance with the accounting policy, the company is recognising the equity component over the period of time to the third anniversary of issue.

So far the company has recognised the equity component as follows:

- £25.731 million in the period to March 2011,
- £1.702 million in the period to March 2012,
- £1.702 million in the period to March 2013,
- £0.836 million in the period to September 2013.

The structure of the above convertible loans notes established it largely as equity with an element of debt for the future discount.

Grabal Alok (UK) Limited

NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS

for the period from 31 March 2013 to 28 September 2013

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 28 Sep 13 £'000 | 30 Mar 13 £'000 |
|--|--------------------|--------------------|
| Loss for the financial period | (6,055) | (17,887) |
| Revaluation in the period | - | (472) |
| Convertible loan notes issued | 836 | 1,702 |
| Net movement in shareholders' funds | (5,219) | (16,657) |
| Opening shareholders' funds | 22,013 | 38,670 |
| Closing shareholders' funds | 16,794 | 22,013 |

25 CASH FLOWS

a Reconciliation of operating loss to net cash outflow from operating activities

| | 28 Sep 13 £'000 | 30 Mar 13 £'000 |
|---|--------------------|--------------------|
| Operating loss | (4,624) | (15,192) |
| Depreciation | 1,509 | 3,162 |
| Impairment of property | - | 546 |
| Loss on disposal of fixed assets | 40 | 406 |
| Decrease in stocks | 754 | 3,001 |
| (Increase)/decrease in debtors | (286) | 13,145 |
| Increase/(decrease) in creditors | 4,593 | (7,318) |
| Net cash outflow from operating activities | 1,986 | (2,250) |

b. Analysis of cash flows for headings netted in the cash flow statement

| | 28 Sep 13 £'000 | 30 Mar 13 £'000 |
|--|--------------------|--------------------|
| Returns on investment and servicing of finance | | |
| Interest received | 2 | 37 |
| Interest paid | (1,433) | (2,732) |
| Net cash outflow from returns on investments and servicing of finance | (1,431) | (2,695) |

| | 28 Sep 13 £'000 | 30 Mar 13 £'000 |
|---|--------------------|--------------------|
| Capital expenditure | | |
| Payments to acquire tangible fixed assets | (130) | (190) |
| Proceeds from sale of tangible fixed assets | 37 | - |
| Net cash inflow/(outflow) from capital expenditure | (93) | (190) |

Grabal Alok (UK) Limited

NOTES TO THE NON-STATUTORY FINANCIAL STATEMENTS

for the period from 31 March 2013 to 28 September 2013

25 CASH FLOWS (continued)

| | 28 Sep 13 £'000 | 30 Mar 13 £'000 |
|---------------------------------------|--------------------|--------------------|
| Financing | | |
| Convertible loan notes | 836 | 1,702 |
| Net cash inflow from financing | 836 | 1,702 |

c. Analysis of net debt

| | At 30 March 2013 £'000 | Cash flows £'000 | Non-cash movements £'000 | At 28 September 2013 £'000 |
|--------------------------|---------------------------------|---------------------|--------------------------------|-------------------------------------|
| Cash in hand and at bank | 1,878 | (386) | - | 1,492 |
| Overdrafts | (10,857) | 888 | - | (9,969) |
| Total cash | (8,979) | 502 | - | (8,477) |
| Debt due within 1 year | (925) | 796 | - | (129) |
| Debt due after 1 year | - | - | - | - |
| Total debt | (925) | 796 | - | (129) |
| Net debt | (9,904) | 1,298 | - | (8,606) |

26. CONTROL

The ultimate parent undertaking is Alok Industries Ltd, a company incorporated in India. The immediate parent undertaking is Alok Infrastructure Ltd, incorporated in India and is a wholly owned subsidiary of Alok Industries Ltd.

The directors believe there is no ultimate controlling party.