



INTERNATIONAL AUDITING
& CONSULTING CENTER

المركز الدولي للإستشارات و تدقيق الحسابات
INTERNATIONAL AUDITING & CONSULTING CENTER

**Alok Global Trading (Middle East) FZE
Financial Statements and Auditor's Report
For the year ended March 31, 2015
Dubai – U.A.E**

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**Alok Global Trading (Middle East) FZE
Financial Statements and Auditor's Report
For the year ended March 31, 2015
Dubai – U.A.E**

**Alok Global Trading (Middle East) FZE
Dubai Airport Free Zone
Dubai - United Arab Emirates**

**Financial Statements
March 31, 2015**

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

Report on the Financial Statements

We have audited the accompanying financial statements of **Alok Global Trading (Middle East) FZE, Dubai Airport Free Zone, Dubai - United Arab Emirates** which comprise the statement of financial position as at **March 31, 2015** and statement of comprehensive income, statement of changes in shareholders' equity, statement of cash flow for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Management Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements which gives a true and fair view of the state of affairs of the Group and of the net profit or loss for that period and to comply with the applicable provisions of the Articles of Association of the Group and the U.A.E. Commercial Companies Law No.8 of 1984 (as amended). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance, whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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Auditors' Responsibility (continued)

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Alok Global Trading (Middle East) FZE, Dubai Airport Free Zone, Dubai - United Arab Emirates** as of **March 31, 2015** and of its financial performance and cash flows for the period then ended, in accordance with Generally Accepted Accounting Principles.

Report on other legal and regulatory requirements

As required by the U.A.E. Federal Commercial Companies Law No. 8 of 1984 (as amended), we further confirm that,

1. We have obtained all the information and explanations necessary for our audit,
2. We are not aware of any contraventions during the period of the above mentioned Law or the Establishment's Articles of Association; which may have materially effected the financial position of the Establishment or the result of its operations during the period.

**M/S. INTERNATIONAL AUDITING & CONSULTING CENTER
DUBAI - UNITED ARAB EMIRATES**

Date: June 29, 2015



Alok Global Trading (Middle East) FZE
Dubai Airport Free Zone,
Dubai- United Arab Emirates

Statement of Financial Position as at March 31, 2015
(Arab Emirates Dirham)

Assets Employed	Notes	2015
<i>Current Assets:</i>		
Cash and balance with banks	3	77,816
		<u>77,816</u>
Total Assets		<u>77,816</u>
<i>Liabilities:</i>		
Provisions, Accruals and Other Payables	4	181,500
		<u>181,500</u>
Equity		
Share capital	5	1,000
Retained (Loss)	6	(104,684)
		<u>(103,684)</u>
Total Liabilities		<u>77,816</u>

The accompanying notes form an integral part of these financial statements.

The report of the auditors is set out on page 1 and 2.

The financial statements on pages 7 to 13 were approved on June 29, 2015 and signed on behalf of the Entity, by:



Director

Alok Global Trading (Middle East) FZE
Dubai Airport Free Zone,
Dubai- United Arab Emirates

Statement of Comprehensive Income for the period ended from July 7, 2014 to March 31, 2015
(Arab Emirates Dirham)

	<u>Notes</u>	<u>for the period ended from July 7, 2014 to March 31, 2015</u>
Operating Expenses		
Administration and selling expenses	7	104,684
		<u>104,684</u>
Operating Profit		<u>(104,684)</u>
Net (Loss) for the Period		<u>(104,684)</u>

The accompanying notes form an integral part of these financial statements.
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by:



Director

Alok Global Trading (Middle East) FZE
Dubai Airport Free Zone,
Dubai- United Arab Emirates

Statement of Cash Flows for the period ended from July 7, 2014 to March 31, 2015
(Arab Emirates Dirham)

	for the period ended from July 7, 2014 to March 31, 2015
<i>Cash flows from operating activities</i>	
Net (loss)	(104,684)
Adjustment for :	
Operating cash flow before changes in net operating assets	(104,684)
Provisions, Accruals and Other Payables	181,500

	181,500

Net cash flow from operating activities	76,816
<i>Cash flows from financing activities</i>	
Share capital	1,000

Net cash flow from financing activities	1,000

<i>Net increase in cash and cash equivalents</i>	77,816

<i>Cash and cash equivalents at end of the period</i>	77,816
	=====

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Director

Alok Global Trading (Middle East) FZE
Dubai Airport Free Zone,
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Statement of Changes in Equity for the period ended from July 7, 2014 to March 31, 2015
(Arab Emirates Dirham)

	Capital	Retained (loss)	Total
Capital	1,000	-	1,000
(Loss) for the year	-	(104,684)	(104,684)
At March 31, 2015	1,000	(104,684)	(103,684)

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Director

Alok Global Trading (Middle East) FZE
Dubai Airport Free Zone,
Dubai- United Arab Emirates

Notes to the Financial Statements for the period ended from July 7, 2014 to March 31, 2015
(Arab Emirates Dirham)

1 Legal status and business activities

- 1.1 Alok Global Trading (Middle East) FZE** ("the Establishment") is registered in the Department of Economic Development, Dubai Airport Free Zone, Dubai-United Arab Emirates (License no. 2711), as a Free Zone Establishment under the U.A.E. Federal Commercial Company Law on July 7, 2014 and license is valid upto July 6, 2015.
- 1.2** The Establishment is primarily engaged in the business of trading in all types of Textiles, including home textiles, apparel fabrics, garments & polyester yarns.
- 1.3** The management and control of the establishment are vested with the Managing Director Mr. Anil Krishnamurthy, an Indian National .
- 1.4** The registered office address of the Establishment is P.O. Box 1047652, Dubai - United Arab Emirates.

2 Significant Accounting Policies

- a)** The financial statements are prepared under the historical cost convention, and in accordance with International Financial Reporting Standards (IFRS) and applicable requirements of the U.A.E. Law issued by the International Accounting Standards Board (IASB). A summary of the significant accounting policies, which have been applied consistently, are set out below.

b) Basis of preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The financials have been presented in the currency of the United Arab Emirates (AED-Arab Emirates Dirham) which is the functional currency of the Establishment.

c) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and applicable requirements of the U.A.E. Law issued by International Accounting Standards Board (IASB).

These financial statements have been prepared under the historical cost convention. The fair / net realizable value concept of measurement of assets and liabilities has also been applied wherever applicable under International Financial Reporting standards (IFRS) and applicable requirements of the U.A.E. Law issued by the International Accounting Standards Board (IASB).

d) Accounting convention

The preparation of financial statements in conformity with approved accounting standards requires the use of judgments. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances.

The areas where various assumptions were exercised in application of accounting policies that are significant to the financial statements are as:

- i** Useful life of property, plant and equipment.
- ii** Allowance for doubtful debts, specific provisions for individual accounts are recorded based on customer's inability to meet its financial obligations.

e) Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and IFRIC interpretations effective as of January 1, 2013:

New and revised standards and Interpretations effective from the current year:

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Notes to the Financial Statements for the period ended from July 7, 2014 to March 31, 2015
(Arab Emirates Dirham)

IFRS 7 Financial Instruments: Disclosures - Enhanced Derecognition

Disclosure Requirements

The amendment requires additional disclosure about financial assets that have been transferred but not derecognized to enable the user of the Entity's financial statements to understand the relationship with those assets that have not been derecognized and their associated liabilities. In addition, the amendment requires disclosures about the entity's continuing involvement in derecognized assets to enable the users to evaluate the nature of, and risks associated with, such involvement. The amendment is effective for annual periods beginning on or after July 1, 2011. The Entity does not have any assets with these characteristics so there has been no effect on the presentation of its financial statements.

IASB Standards and Interpretations

Standards issued but not yet effective up to the date of issuance of the Entity's financial statements are listed below. This listing of standards and interpretations issued are those that the Entity reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Entity intends to adopt these standards when they become effective.

IAS 1 Presentation of Items of Other Comprehensive Income - Amendments to IAS 1

The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings) would be presented separately from items that will never be reclassified (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets). The amendment affects presentation only and has no impact on the Entity's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012,

IAS 19 Employee Benefits (Revised)

The IASB has issued numerous amendments to IAS 19. This amendment becomes effective in the current financial year. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The amended standard will impact the net benefit expense as the expected return on plan assets will be calculated using the same interest rate as applied for the purpose of discounting the benefit obligation.

IFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognized financial instruments that are set off in accordance with IAS 32 *Financial Instruments: Presentation*. The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments will not impact the Entity's financial position or performance.

IFRS 11 Joint arrangements

IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly-controlled Entities - Non-monetary Contributions by Ventures*. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. IFRS 11 will not impact the Entity's financial position or performance.

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Notes to the Financial Statements for the period ended from July 7, 2014 to March 31, 2015
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IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interest in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This standard has no impact on the Entity's financial position or

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Entity is currently assessing the impact that this standard will have on the financial position and performance, but based on the preliminary analyses, no

IAS 34 Interim Financial Reporting

The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and IFRIC interpretations effective as of 1st January 2013:

IAS 12 Income Taxes (Amendment) - Deferred Taxes: Recovery of Underlying Assets IFRS I First-Time Adoption of International Financial Reporting Standards (Amendment) - Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters.

IFRS 7 Financial Instruments: Disclosures (Amendments)

IFRS 7 Financial Instruments: Disclosures - Enhanced Derecognition Disclosure Requirements

IAS 32 Offsetting Financial Assets and Financial Liabilities -Amendments to IAS 32

IFRS 9 Financial Instruments: Classification and Measurement

These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not expected to impact the Entity's financial position or performance and become effective for annual periods beginning on or after Jan 2014.

IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but *Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures*, issued in December 2011, moved the mandatory effective date to 1st January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Entity's financial assets, but will not have an impact on the classification and measurements of financial liabilities. The Entity will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

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IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements

IFRS 10 replaces the portion of IAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 *Consolidation - Special Purpose Entities*.

IFRS 10 establishes a single control model that applies to all entities, including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. IFRS 10 will not impact the Entity's financial position or performance.

Annual Improvements 2012 to IFRSs

These improvements will not have any impact on the Entity, but include:

IFRS 1 First-time Adoption of international Financial Reporting Standards

This improvement clarifies that an entity that stopped applying IFRS in the past and chooses, or is required, to apply IFRS, has the option to re-apply IFRS I. If IFRS I is not re-applied, an entity must retrospectively restate its financial statements as if it had never stopped applying IFRS.

IAS 1 Presentation / Financial Statements

This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative information is the previous period.

IAS 16 Property Plant and Equipment

This improvement clarifies that major spare parts and servicing equipment that meet the definition of property; plant and equipment are not inventory.

IAS 32 Financial Instruments. Presentation

This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.

f) Foreign currency transactions

Foreign currency transactions are recorded in U.A.E. Dirhams at the approximate rate of exchange ruling at the time of the transaction. Assets and liabilities expressed in foreign currencies at the balance sheet date are translated into U.A.E. Dirhams at the year end rate of exchange. All foreign currency gains and losses are booked in the statement of income as and when they arise.

g) Impairment of assets

The carrying amount of the entity's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the assets' recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in Statement of Comprehensive Income.

Alok Global Trading (Middle East) FZE
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Notes to the Financial Statements for the period ended from July 7, 2014 to March 31, 2015
(Arab Emirates Dirham)

		for the period ended from July 7, 2014 to March 31, 2015
3	Cash and balance with banks	
	Cash and bank balances	77,816
		<u>77,816</u>
4	Provisions, Accruals and Other Payables (Note 4.1)	
	Accrued expenses	181,500
		<u>181,500</u>
4.1	Provisions, Accruals and Other Payables	
	Provisions are made for some expenses that may arise in future. Liabilities are recognized for amounts to be paid in the future for goods or services received, whether or not billed to the Establishment.	
5	Share Capital	
	The authorized and paid up share capital of the Establishment is AED 1000/- divided into 1 shares of AED 1,000/- each.	
	The Shareholding of the establishment as at reporting date are as follows:	
	Name of the shareholder	
	M/s. Alok Industries Limited	1,000
		<u>1,000</u>
6	Retained earnings	
	(Loss) for the year	(104,684)
	Balance at the end of the period	<u>(104,684)</u>
7	Administration and selling expenses	
	Rent	95,558
	Legal, professional and visa charges	6,600
	Travelling and conveyance	40
	Insurance	1,200
	Other expenses	1,286
		<u>104,684</u>

Alok Global Trading (Middle East) FZE
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Notes to the Financial Statements for the period ended from July 7, 2014 to March 31, 2015
(Arab Emirates Dirham)

for the period
ended from
July 7, 2014 to
March 31, 2015

8 RELATED PARTIES DISCLOSURES (Note 8.1 & 8.2)

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

8.1 Names of related party and nature of relationship

Alok Industries Limited

8.2 Transactions with Related parties

Particulars of transaction / balance	With holding Company
Equity Share Capital	
<u>Alok Industries Limited</u>	
Balance as at 7-July-2014	-
Received during the period	(-) 1,000
Balance as at 31-March-2015	(-) 1,000
Short Term Loans & Advances	
<u>Alok Industries Limited</u>	
Balance as at 7-July-2014	-
Received during the period	(-) 181,500
Balance as at 31-March-2015	(-) 181,500
	(-)

9 Fair value of financial instruments

The Establishment's financial instruments are accounted for under the historical cost convention. Fair value represents the amount at which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction, therefore, differences can arise between values under the historical cost method and fair value estimates. The fair value of the Establishment's financial instruments is not materially different from the carrying value at March 31, 2015.

10 Exchange rate risk

Since the main underlying currencies of the financial instruments, other assets, other liabilities and transactions including cost of sales and sales are in U.A.E. Dirhams and U.S. Dollars, the Establishment is not exposed to a significant exchange rate risk.

Alok Global Trading (Middle East) FZE
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Notes to the Financial Statements for the period ended from July 7, 2014 to March 31, 2015
(Arab Emirates Dirham)

11 Contingencies and commitments

As at March 31, 2015 as per management the Establishment had no contingencies and commitments.

12 Comparative figures

Comparative figures has not been presented because since start of the establishment this is first year audit of the establishment. Figures of the establishment have been rounded off to nearest AED 1/-.

The accompanying notes form an integral part of these financial statements.

The report of the auditors is set out on page 1 and 2.

The financial statements on pages 7 to 13 were approved on June 29, 2015 and signed on behalf of the Entity,



Director