

Narendra Poddar & Co.

CHARTERED ACCOUNTANTS

Narendra Poddar

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Date

INDEPENDENT AUDITOR'S REPORT

To the Members of ALOK INTERNATIONAL INC.

Report on the Financial Statements

1. We have audited the accompanying financial statements of **ALOK INTERNATIONAL INC.** ("the Company"), which comprise the Balance Sheet as at **March 31, 2017**, 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.



ALOK INTERNATIONAL INC.

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 2017**, and its loss and its cash flows for the year then ended.

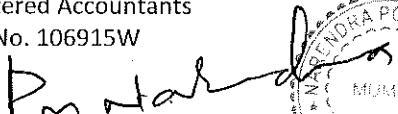
Report on Other Legal and Regulatory Requirements

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 state that this section is not applicable to the company.
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, 2017**, and taken on record by the Board of Directors, none of the directors is disqualified as on **March 31, 2017**, 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 A"
 - 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


Narendra Poddar, Proprietor

Membership No. 041256

Mumbai – 28th June, 2019



“Annexure A” to the Independent Auditor’s Report of even date on the Financial Statements of ALOK INTERNATIONAL INC.

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

We have audited the internal financial controls over financial reporting of **ALOK INTERNATIONAL INC.** (“the Company”) as of **March 31, 2017** in conjunction with our audit of the s 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



ALOK INTERNATIONAL INC.

financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

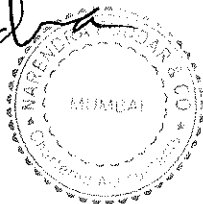
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **March 31, 2017**, 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

Narendra Poddar, Proprietor
Membership No. 041256
Mumbai – 28th June, 2019



ALOK INTERNATIONAL INC.

BALANCE SHEET AS AT 31 MARCH 2017

PARTICULARS	NOTES	AS AT 31-Mar-2017 Rupees	AS AT 31-Mar-2017 USD	AS AT 31-Mar-2016 Rupees	AS AT 31-Mar-2016 USD	AS AT 31-Mar-2015 Rupees	AS AT 31-Mar-2015 USD
ASSETS							
1) Non-current Assets							
a) Property, Plant, and Equipment	2	11,281,697	173,997	18,277,219	275,538	8,669,226	149,626
b) Other Intangible assets	2	11,983,438	184,820	13,778,086	207,711	169,058	2,701
C) Intangible assets under development		-	-	-	-	4,929,002	87,371
D) Financial Assets							
i) Investments	3	165,867,139	2,558,154	-	-	-	-
		189,132,274	2,916,970	32,055,304	483,249	13,767,285	239,699
2) Current Assets							
a) Inventories	4	-	-	293,931,935	4,431,164	247,887,300	4,036,950
b) Financial assets							
(i) Trade receivables	5	142,064,827	2,191,053	368,450,583	5,554,568	618,926,021	9,888,451
(ii) Cash & Cash Equivalents	6	330,824	5,102	87,660,924	1,321,530	41,991,441	670,888
(iii) Short-term Loans & Advances	7	3,161,934,162	48,346,817	2,898,877,751	43,701,960	3,138,183,742	50,138,099
		3,304,329,813	50,542,972	3,648,921,193	55,009,222	4,046,988,504	64,734,389
TOTAL ASSETS		3,493,462,087	53,459,942	3,680,976,497	55,492,471	4,060,755,789	64,974,088
EQUITY AND LIABILITIES							
Equity							
Shareholders' Funds							
a) Share Capital	8	43,225	1,000	43,225	1,000	43,225	1,000
b) Other equity	9	(265,660,433)	(3,462,149)	(175,453,251)	(2,645,499)	163,129,213	2,702,221
		(265,617,208)	(3,461,149)	(175,410,026)	(2,644,499)	163,172,438	2,703,221
LIABILITIES							
1) Non-current Liabilities							
a) Financial liabilities							
Borrowings	10	3,568,911	55,043	5,174,996	78,016	2,331,660	37,252
2) Current Liabilities							
a) Financial liabilities							
(i) Borrowings	11	18,037,052	278,184	51,434,072	775,393	2,789,877,007	44,573,276
(ii) Trade payables	12	379,664,948	5,759,581	656,723,376	9,900,526	959,040,381	15,322,386
b) Other current liabilities	13	3,357,808,384	50,828,284	3,143,054,080	47,383,034	74,946,518	1,197,405
d) Short-term provisions	14	-	-	-	-	71,387,785	1,140,548
TOTAL		3,759,079,295	56,921,091	3,856,386,523	58,136,969	3,897,583,351	62,270,867
TOTAL EQUITY AND LIABILITIES		3,493,462,087	53,459,942	3,680,976,497	55,492,471	4,060,755,789	64,974,088

Significant accounting policies and accompanying notes forming part of the financial statements 1 to 26

As per our report of even date

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

Narendra Poddar, Proprietor
Membership No. 041256

Mumbai, 28th June 2019



For and on behalf of the Board

Ashok B. Jiwraika
Director

Dilip B. Jiwraika
Director

Surendra B. Jiwraika
Director

ALOK INTERNATIONAL INC.

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2017

PARTICULARS	NOTES	Year ended 31-MAR-2017		Year ended 31-Mar-2016		Year ended 31-Mar-2015	
		Rupees	USD	Rupees	USD	Rupees	USD
REVENUE							
Revenue from Operations (net)	15	134,846,309	2,079,723	597,546,428	9,128,272	3,139,563,110	51,129,119
Other Income							
Revenue from Operations		134,846,309	2,079,723	597,546,428	9,128,272	3,139,563,110	51,129,119
Other Income	16	178,602,198	2,662,144	1,908,517	29,155	-	-
Total Revenue		313,448,507	4,741,867	599,454,945	9,157,427	3,139,563,110	51,129,119
EXPENSES							
Purchase of Traded goods		262,184,644	3,907,954	460,236,972	6,721,522	1,739,149,829	28,322,794
Change in inventories of Traded Goods	17	(519,468,065)	(8,113,833)	(46,044,635)	(394,214)	412,993,435	7,759,773
Cost of Materials consumed		504,300,000	7,516,814				
Employee benefits expense	18	62,430,321	930,551	73,822,302	1,127,728	157,539,616	2,565,600
Finance costs	19	10,269,318	158,383	17,491,548	267,205	48,810,444	794,899
Depreciation and Amortisation expense		8,164,366	121,693	8,552,911.91	130,656.47	2,503,917.70	40,777.36
Other expenses	20	69,537,182	1,036,954	435,463,311	6,652,249	613,081,431	9,984,292
Total Expenses		397,417,766	5,558,517	949,522,410	14,505,147	2,974,078,673	49,468,134
Profit / (Loss) before tax from continuing operations		(83,969,259)	(816,650)	(350,067,465)	(5,347,720)	165,484,437	1,660,985
Tax expenses:							
Current tax		-	-	-	-	34,677,340	564,735
- Deferred tax		-	-	-	-	-	-
Total Tax Expenses		-	-	-	-	34,677,340	564,735
PROFIT / (LOSS) FROM CONTINUING OPERATIONS		(83,969,259)	(816,650)	(350,067,465)	(5,347,720)	130,807,097	1,096,250
Other Comprehensive Income							
Net (gain)/loss on translation		6,237,923	-	(11,485,001)	-	(31,967,904)	-
Net profit / (Loss) for the period		(90,207,182)	(816,650)	(338,582,464)	(5,347,720)	162,775,001	1,096,250
EARNINGS PER SHARE							
Basic and Diluted (not annualised)	23	(90,207.18)	(816.65)	(338,582.46)	(5,347.72)	162,775.00	1,096.25

Significant accounting policies and accompanying notes forming part of the financial statements 1 to 26

As per our report of even date

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

Narendra Poddar, Proprietor
Membership No. 041256

Mumbai, 28th June 2019



For and on behalf of the Board

Ashok B. Jiwraika
Director

Dilip B. Jiwraika
Director

Surendra B. Jiwraika
Director

ALOK INTERNATIONAL INC.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

	Year ended 31-MAR-2017		Year ended 31-Mar-2016	
	Rupees	USD	Rupees	USD
A) CASH FLOW FROM OPERATING ACTIVITIES				
Profit / (loss) before Tax	(90,207,182)	(816,650)	(338,582,464)	(5,347,720)
Adjustments for :				
Depreciation / Amortisation	8,164,366	121,693	8,552,912	130,656
Interest expense	10,269,318	158,383	17,491,548	267,205
Provision for doubtful debts written back	1,200,000	17,887	(1,908,517)	(29,155)
Operating Profit before working capital changes	(70,573,499)	(518,688)	(314,446,522)	(4,979,012)
Adjustments for :				
Increase / (Decrease) in Current Liabilities	(62,304,124)	(695,696)	(62,638,204)	(1,940,481)
Increase / (Decrease) in Trade receivables	225,185,756	3,345,629	252,383,955	4,363,039
Increase / (Decrease) in Inventories	293,931,935	4,431,164	(46,044,635)	(394,214)
Increase / (Decrease) in Loans & Advances	(263,056,411)	(4,644,857)	239,305,991	6,436,139
Cash (used in) / generated from operations	123,183,658	1,917,552	68,560,586	3,485,471
Income Tax Paid	-	-	-	-
A) Net cash (used in) / generated from operating activities	123,183,658	1,917,552	68,560,585	3,485,471
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	625,803	2,739	(26,840,931)	(374,207)
Purchase of Investments	(165,867,139)	(2,558,154)	-	-
B) Net cash used in investing activities	(165,241,336)	(2,555,415)	(26,840,931)	(374,207)
C) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long term borrowing (net)	(11,875,402)	(181,355)	2,843,336	40,763
Proceeds from Short term borrowing (net)	(33,397,020)	(497,209)	1,106,492	(2,501,385)
C) Net cash generated from / (used in) financing activities	(45,272,422)	(678,565)	3,949,828	(2,460,621)
Net (decrease) / increase in Cash and Cash equivalents (A+B+C)	(87,330,100)	(1,316,428)	45,669,483	650,644
Cash and Cash equivalents at the beginning of the period	87,660,924	1,321,530	41,991,441	670,888
Cash and Cash equivalents at the end of the period	330,824	5,102	87,660,924	1,321,530

NOTES TO CASH FLOW STATEMENT

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

Particulars	Year ended 31-Mar-17		Year ended 31-Mar-16	
	Rupees	USD	Rupees	USD
Cash and Cash equivalents as per Balance sheet	330,824	5,102	87,660,924	1,321,530
Add: Effect of exchange rate change	-	-	-	-
Less: Earmarked deposits with bank	-	-	-	-
Cash and Cash equivalents at the end of period	330,824	5,102	87,660,924	1,321,530

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

3 Previous period's figures have been regrouped/reclassified wherever necessary.

As per our report of even date

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

Narendra Poddar, Proprietor
Membership No. 041256



For and on behalf of the Board

Ashok B. Jiwrajka
Director

Dilip B. Jiwrajka
Director

Surendra B. Jiwrajka
Director

Mumbai, 28th June 2019

ALOK INTERNATIONAL INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

BACKGROUND

Alok International Inc. incorporated on May 05, 2008 under the laws of the State of Texas (USA), is a wholly owned subsidiary of Alok Industries Limited, Company incorporated in India. The company is engaged in the business of marketing services and trading activities. These financial statements are prepared solely for the purpose of consolidation by the holding company, Alok Industries Limited.

1. SIGNIFICANT ACCOUNTING POLICIES

(i) First time adoption of Indian Accounting Standards (Ind-AS)

The company has adopted Ind-AS, in accordance with Notification dated February 16, 2015 issued by Ministry of Corporate Affairs, Government of India, with effect from April 01, 2016 with a transition date of April 01, 2015.

(ii) Basis of Preparation of Financial Statements

a) The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs, Government of India vide Notification dated February 16, 2015. Accounting policies have been applied consistently to all periods presented in these financial statements. The Financial Statements are prepared under historical cost convention from the books of accounts maintained under accrual basis except for certain financial instruments which are measured at fair value and in accordance with the Indian Accounting Standards prescribed under the Companies Act, 2013.

The Financial Statements up to the year ended March 31, 2016 were 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 the holding company, Alok Industries Limited.

b) Translation to Indian Rupees :-

The accounts are maintained in United State Dollar (USD) being currency of State of Texas (USA). Considering the operations of the company as integral to the holding company, the financial statements have been translated into Indian Rupees on the following basis-

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

(iii) 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.

(iv) Revenue recognition

- Revenue from sale of goods is recognised on delivery of the product, when all significant contractual obligations have been satisfied, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained by the Company. Revenue from sale of goods is recognised net of rebates and discounts.
- Revenue from marketing service charges is recognised on rendering of the related services in accordance with the terms of the agreement.

(v) Inventory

Inventories of traded goods are valued at cost determined on first -in-first-out (FIFO) basis or net realizable value, whichever is lower.

(vi) 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.

(vii) Foreign Currency Transactions

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

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

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

(viii) Provisions, Contingent Liabilities and Contingent Assets

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

(ix) Fixed Assets

a) Tangible assets:

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation and impairment losses. Costs of acquisition comprise all costs incurred to bring the assets to their location and working condition up to the date the assets are put to use. Costs of construction are composed of those costs that relate directly to specific assets and those that are attributable to the construction activity in general and can be allocated to specific assets up to the date the assets are put to use.

b) Intangible assets:

Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment losses.

(x) Cash Flow Statement

The Cash Flow Statement is prepared using the "indirect method" set out in Indian Accounting Standard (IND AS-7) "Statement of cash Flows" 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.

(xi) Depreciation

Depreciation on Fixed Assets is provided, pro-rata for the period of use, on Straight Line Method at the rates and in the manner specified in Schedule II to the Companies Act, 2013. Continuous process plant is classified based on technical assessment and depreciation is provided accordingly. Depreciation on additions to assets or on sale / disposal of assets is calculated from the beginning of the month of such addition or up to the month of such sale / scrapped, as the case may be. Assets costing less than Rs 5,000/- are fully depreciated in the year of purchase.

(xii) Employee Benefits

a) Defined Contribution Plan

There are no defined contribution plans of the Company

b) Defined Benefit Plan

The Company provides for Gratuity and Compensated absences on the basis of gross salary as per laws in USA. The defined benefit plans are not funded.



ALOK INTERNATIONAL INC.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR FROM 1ST APRIL 2016 TO 31ST MARCH,2017

2. FIXED ASSETS

SR NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 1-Apr-16	Additions	Deduction/ Adjustment	As at 31-Mar-17	As at 1-Apr-16	For the period	Deduction/ Adjustment	As at 31-Mar-17	As at 31-Mar-17	As at 31-Mar-16
		(Rupees)									
	Tangible Assets										
1	Plant & Equipment	11,378,456	(256,326)	-	11,122,131	6,955,807	3,183,853	-	10,139,660	982,471	4,422,649
2	Computers	5,172,119	(116,514)	-	5,055,606	838,401	819,514	-	1,657,914	3,397,691	4,333,719
3	Furniture & Fixtures	855,255	(19,267)	-	835,989	54,138	52,918	-	107,056	728,933	801,118
4	Vehicle	10,690,514	54,728	-	10,745,241	1,970,781	1,020,798	(1,581,060)	4,572,639	6,172,602	8,719,733
	Sub Total	28,096,345	(337,379)	-	27,758,967	9,819,127	5,077,082	(1,581,060)	16,477,269	11,281,697	18,277,218
	Intangible Assets										
1	Computer Software / Trademarks/Brands	16,276,249	(839,831)	-	15,436,418	2,498,163	3,087,284	2,132,467	3,452,980	11,983,438	13,778,086
	Sub Total	16,276,249	(839,831)	-	15,436,418	2,498,163	3,087,284	2,132,467	3,452,980	11,983,438	13,778,086
	Total Current Period	44,372,594	(1,177,210)	-	43,195,385	12,317,290	8,164,366	551,407	19,930,249	23,265,136	32,055,304

SR NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 1-Apr-16	Additions	Deduction/ Adjustment	As at 31-Mar-17	As at 1-Apr-16	For the period	Deduction/ Adjustment	As at 31-Mar-17	As at 31-Mar-17	As at 31-Mar-16
		(USD)									
	Tangible Assets										
1	Plant & Equipment	171,536	-	-	171,536	102,259	44,879	-	147,138	24,397	69,277
2	Computers	77,972	-	-	77,972	12,639	12,639	-	25,279	52,694	65,333
3	Furniture & Fixtures	12,893	-	-	12,893	816	816	-	1,632	11,261	12,077
4	Vehicle	161,165	4,558	-	165,723	32,313	15,744	(32,021)	80,078	85,645	128,851
	Sub Total	423,566	4,558	-	428,124	148,028	74,079	(32,021)	254,127	173,997	275,538
	Intangible Assets										
1	Computer Software / Trademarks/Brands	245,372	(7,298)	-	238,075	37,661	47,615	32,021	53,255	184,819	207,711
	Sub Total	245,372	(7,298)	-	238,075	37,661	47,615	32,021	53,255	184,819	207,711
	Total Current Period	668,938	(2,739)	-	666,199	185,689	121,693	(0)	307,383	358,816	483,249

NOTES TO FINANCIAL STATEMENT FOR THE YEAR FROM 1ST APRIL 2015 TO 31ST MARCH,2016

2. FIXED ASSETS

SR NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 1-Apr-15	Additions	Deduction/ Adjustment	As at 31-Mar-16	As at 1-Apr-15	For the period	Deduction/ Adjustment	As at 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15
		(Rupees)									
	Tangible Assets										
1	Plant & Equipment	2,772,129	8,606,327	-	11,378,456	533,023	3,389,525	(3,033,259)	6,955,807	4,422,649	2,239,106
2	Computers	-	5,172,119	-	5,172,119	-	838,401	-	838,401	4,333,719	-
3	Furniture & Fixtures	-	855,255	-	855,255	-	54,138	-	54,138	801,118	-
4	Vehicle	7,385,302	3,305,212	-	10,690,514	955,182	1,015,599	-	1,970,781	8,719,733	6,430,120
	Sub Total	10,157,431	17,938,914	-	28,096,345	1,488,205	5,297,662	(3,033,259)	9,819,127	18,277,218	8,669,226
	Intangible Assets										
1	Computer Software / Trademarks/Brands	1,147,184	15,129,065	-	16,276,249	978,126	3,255,250	1,735,213	2,498,163	13,778,086	169,058
	Sub Total	1,147,184	15,129,065	-	16,276,249	978,126	3,255,250	1,735,213	2,498,163	13,778,086	169,058
	Total Current Period	11,304,615	33,067,979	-	44,372,594	2,466,332	8,552,912	(1,298,046)	12,317,290	32,055,304	8,838,283

SR NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 1-Apr-15	Additions	Deduction/ Adjustment	As at 31-Mar-16	As at 1-Apr-15	For the period	Deduction/ Adjustment	As at 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15
		(USD)									
	Tangible Assets										
1	Plant & Equipment	56,645	114,891	-	171,536	9,332	52,816	(40,111)	102,259	69,277	47,313
2	Computers	-	77,972	-	77,972	-	12,639	-	12,639	65,333	-
3	Furniture & Fixtures	-	12,893	-	12,893	-	816	-	816	12,077	-
4	Vehicle	119,316	41,849	-	161,165	17,003	15,311	-	32,313	128,851	102,313
	Sub Total	175,961	247,605	-	423,566	26,335	81,582	(40,111)	148,028	275,538	149,626
	Intangible Assets										
1	Computer Software / Trademarks/Brands	31,399	213,973	-	245,372	28,698	49,074	40,111	37,661	207,711	2,701
	Sub Total	31,399	213,973	-	245,372	28,698	49,074	40,111	37,661	207,711	2,701
	Total Current Period	207,360	461,578	-	668,938	55,033	130,656	-	185,689	483,249	152,327



ALOK INTERNATIONAL INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

PARTICULARS	AS AT 31-Mar-17 Rupees	AS AT 31-Mar-17 USD	AS AT 31-Mar-16 Rupees	AS AT 31-Mar-16 USD	AS AT 31-Mar-15 Rupees	AS AT 31-Mar-15 USD
3. INVESTMENTS						
Other Investments	165,867,139	2,558,154	-	-	-	-
TOTAL	165,867,139	2,558,154	-	-	-	-
4. INVENTORIES						
Stock of Traded Goods	-	-	293,931,935	4,431,164	247,887,300	4,036,950
TOTAL	-	-	293,931,935	4,431,164	247,887,300	4,036,950
5. TRADE RECEIVABLES (Unsecured)						
Debts Outstanding for a period exceeding six months from due date	-	-	-	-	185,509,892	2,963,852
Less : Provision	-	-	-	-	27,041,935	432,043
	-	-	-	-	158,467,957	2,531,809
Other debts	147,004,388	2,267,234	373,209,077	5,626,304	460,458,064	7,356,642
Less : Provision	4,939,561	76,181	4,758,493	71,737	-	-
	142,064,827	2,191,053	368,450,583	5,554,568	460,458,064	7,356,642
TOTAL	142,064,827	2,191,053	368,450,583	5,554,568	618,926,021	9,888,451
Considered Good	142,064,827	2,191,053	368,450,583	5,554,568	618,926,021	9,888,451
Considered Doubtful	4,939,561	76,181	4,758,493	71,737	27,041,935	432,043
TOTAL	147,004,388	2,267,234	373,209,077	5,626,304	645,967,956	10,320,495
6. CASH & CASH EQUIVALENTS						
Cash & Cash Equivalents						
Balance with Bank	330,824	5,102	87,660,924	1,321,530	41,991,441	670,888
TOTAL	330,824	5,102	87,660,924	1,321,530	41,991,441	670,888
7. SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good)						
Loans & advances to Related parties	299,423,905	4,617,988	329,538,398	4,967,948	274,773,612	4,390,000
Others	729,332,861	11,248,436	-	-	-	-
Lease & Security Deposit	532,325	8,210	544,593	8,210	-	-
Advance to Staff	1,930,661	29,777	2,241,736	33,795	-	-
Advance to Others	(2,200,000)	(33,930)	-	-	-	-
Advance to vendors	2,124,247,401	32,342,666	2,562,087,489	38,624,687	2,863,410,130	45,748,099
Prepaid Expenses	8,267,008	127,501	4,465,534	67,320	-	-
Other current financial assets	400,000	6,169	-	-	-	-
TOTAL	3,161,934,162	48,346,817	2,898,877,751	43,701,960	3,138,183,742	50,138,099



ALOK INTERNATIONAL INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

PARTICULARS	AS AT 31-Mar-17 Rupees	AS AT 31-Mar-17 USD	AS AT 31-Mar-16 Rupees	AS AT 31-Mar-16 USD	AS AT 31-Mar-15 Rupees	AS AT 31-Mar-15 USD
8. SHARE CAPITAL						
(a) Authorised Shares						
1,000,000 Common Shares of USD 1/- each	43,225,000	1,000,000	43,225,000	1,000,000	43,225,000	1,000,000
	<u>43,225,000</u>	<u>1,000,000</u>	<u>43,225,000</u>	<u>1,000,000</u>	<u>43,225,000</u>	<u>1,000,000</u>
(b) Issued, Subscribed and fully paid-up Equity Share Capital						
1,000 Common Shares of USD 1/- each fully paid	43,225	1,000	43,225	1,000	43,225	1,000
TOTAL	<u>43,225</u>	<u>1,000</u>	<u>43,225</u>	<u>1,000</u>	<u>43,225</u>	<u>1,000</u>
NOTES :						
(i)	The Company is a wholly owned subsidiary of Alok Industries Limited and there is no change in the share capital during the year.					
(ii)	Terms/rights attached to equity shares The Company has only one class of equity shares having a par value of USD 1 per share. Each holder of equity share is entitled to one vote per share. The share holders are entitled for dividend in USD as and when recommended by the Board of Directors and approved by the share holders at the Annual General Meeting.					
9. RESERVES AND SURPLUS						
(Deficit)/Surplus in the Statement of Profit and Loss						
Balance brought forward from previous year	(175,453,251)	(2,645,499)	163,129,213	2,702,221	354,212	1,605,971
Profit / (Loss) for the period	(83,969,259)	(816,650)	(338,582,464)	(5,347,720)	162,775,001	1,096,251
Balance carried forward	(259,422,510)	(3,462,149)	(175,453,251)	(2,645,499)	163,129,213	2,702,221
Foreign Currency Translation Reserve						
Balance brought forward from previous year	-	-	-	-	-	-
Add: Addition during the year	(6,237,923)	-	-	-	-	-
Balance carried forward	(6,237,923)	-	-	-	-	-
TOTAL	<u>(265,660,433)</u>	<u>(3,462,149)</u>	<u>(175,453,251)</u>	<u>(2,645,499)</u>	<u>163,129,213</u>	<u>2,702,221</u>
10. LONG-TERM BORROWINGS						
Term loan from Bank						
Vehicle loan from Banks (Secured)	3,568,911	55,043	5,174,996	78,016	2,331,660	37,252
TOTAL	<u>3,568,911</u>	<u>55,043</u>	<u>5,174,996</u>	<u>78,016</u>	<u>2,331,660</u>	<u>37,252</u>
11. SHORT-TERM BORROWINGS						
Loans & Advances from Related party (unsecured) (Interest free, repayable on demand)	-	-	-	-	2,480,535,600	39,630,994
Capital Business Redit LLC	18,037,052	278,184	51,434,072	775,393	309,341,407	4,942,282
TOTAL	<u>18,037,052</u>	<u>278,184</u>	<u>51,434,072</u>	<u>775,393</u>	<u>2,789,877,007</u>	<u>44,573,276</u>
12. TRADE PAYABLES						
Total Outstanding due to: Creditors for supplies / services	379,664,948	5,759,581	656,723,376	9,900,526	959,040,381	15,322,386
TOTAL	<u>379,664,948</u>	<u>5,759,581</u>	<u>656,723,376</u>	<u>9,900,526</u>	<u>959,040,381</u>	<u>15,322,386</u>
13. OTHER CURRENT LIABILITIES						
Current maturities of long-term debt Vehicle loan from banks (Secured) (Refer note no. 4 above)						
Advance from customers	2,220,824	34,252	-	-	1,212,682	19,375
Creditors for statutory liabilities	(101,543)	(1,539)	1,547,616	23,331	382,633	6,113
Advance from Related party	3,355,689,103	50,795,571	3,141,506,464	47,359,703	73,351,203	1,171,917
TOTAL	<u>3,357,808,384</u>	<u>50,828,284</u>	<u>3,143,054,080</u>	<u>47,383,034</u>	<u>74,946,518</u>	<u>1,197,405</u>
14. SHORT-TERM PROVISIONS						
Provision for taxation (net of advance tax) Deferred tax	-	-	-	-	71,387,785	1,140,548
TOTAL	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,387,785</u>	<u>1,140,548</u>



ALOK INTERNATIONAL INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

PARTICULARS	Year ended 31-MAR-2017		Year ended 31-Mar-2016		Year ended 31-Mar-2015	
	Rupees	USD	Rupees	USD	Rupees	USD
15. REVENUE FROM OPERATIONS						
Sale of traded goods	134,846,309	2,079,723	597,546,428	9,128,272	2,532,684,387	41,245,841
Sale of traded goods	-	-	-	-	2,532,684,387	41,245,841
Sale of services	-	-	-	-	-	-
Marketing Services to holding company	-	-	-	-	606,878,723	9,883,278
TOTAL	134,846,309	2,079,723	597,546,428	9,128,272	3,139,563,110	51,129,119
16. OTHER INCOME						
Net gain/loss in investments						
Other non operating Income						
Provision for doubtful debts written back	(1,200,000)	(17,887)	1,908,517	29,155	-	-
Exchange rate differences (net)	179,802,198	2,680,931	-	-	-	-
TOTAL	178,602,198	2,662,144	1,908,517	29,155	-	-
17. CHANGE IN INVENTORIES OF STOCK IN TRADE						
CLOSING STOCK AS ON 31ST MARCH						
Traded Goods	813,400,000	12,544,996	293,931,935	4,431,164	247,887,300	4,036,950
LESS : OPENING STOCK AS ON 1ST APRIL						
Traded Goods	293,931,935	4,431,164	247,887,300	4,036,950	660,880,735	11,796,723
TOTAL	519,468,065	8,113,833	46,044,635	394,214	(412,993,435)	(7,759,773)
18. EMPLOYEE BENEFIT EXPENSES						
Salaries & Wages	62,306,981	928,713	67,370,439	1,029,168	136,978,785	2,230,758
Contribution to provident & other fund	58,126	866	453,152	6,922	10,578,854	172,281
Staff Welfare Expenses	65,214	972	5,998,711	91,638	9,981,977	162,561
TOTAL	62,430,321	930,551	73,822,302	1,127,728	157,539,616	2,565,600
19. FINANCE COSTS						
Other Borrowing cost	10,269,318	158,383	17,491,548	267,205	48,633,617	792,019
Interest expenses on Car Loan	-	-	-	-	176,827	2,880
TOTAL	10,269,318	158,383	17,491,548	267,205	48,810,444	794,899
20. OTHER EXPENSES						
Purchase of Stores & spares	-	-	-	-	-	-
Freight	3,954,941	58,950	31,064,170	474,544	7,662,964	124,795
Labour charges	9,986,764	148,857	21,344,548	326,065	94,695,433	1,542,155
Auditor's Remuneration (Including Service Tax)	-	-	-	-	-	-
Audit Fees	-	-	-	-	684,000	11,139
Bank Charges & Commission	-	-	-	-	1,601,052	26,074
Branding Expenses	-	-	-	-	3,684,276	60,000
Commission on sales	5,833,248	86,947	52,028,197	794,796	7,386,052	120,285
Electricity expenses	172,954	2,578	3,027,076	46,242	2,214,006	36,056
Rates and taxes	76,160	1,135	212,172	3,241	14,694,129	239,300
Insurance charges	3,354,480	50,000	9,574,960	146,270	13,761,006	224,104
Legal and Professional charges	3,766,798	56,146	19,376,025	295,993	67,556,417	1,100,185
Office expenses	-	-	-	-	61,965,708	1,009,138
Office rent	23,520,523	351,056	69,763,565	1,065,726	78,794,041	1,283,194
Loss on Sale of Asset	-	-	-	-	492,958	8,028
Loss on sale of investment	-	-	-	-	24,561,840	400,000
Bad Debts W/off	-	-	14,580,527	222,736	-	-
Repairs and Maintenance - Showroom/Outlet)	-	-	2,359,280	36,041	88,475,651	1,440,864
Repairs and Maintenance - Others	-	-	1,819,715	27,798	4,137,594	67,382
Communication expenses	-	-	2,917,007	44,561	3,070,266	50,001
Postage & Telegrams	-	-	-	-	7,225,769	117,675
Opening P&L difference	13,960,868	208,093	-	-	-	-
Travelling Expenses	-	-	-	-	43,853,567	714,174
Sales promotion expenses	-	-	14,517,100	221,767	54,587,134	888,975
Exchange rate differences (net)	-	-	-	-	8,041,982	130,967
Miscellaneous Expenses	4,910,445	73,192	192,878,971	2,946,469	23,935,586	389,801
(Includes Sampling Charges, Godown Expenses, Security Expenses, Printing & Stationary etc.)						
TOTAL	69,537,182	1,036,954	435,463,311	6,652,249	613,081,431	9,984,292



ALOK INTERNATIONAL INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

21. Related Parties Disclosures

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

(i) Names of related party and nature of relationship

Alok Industries Limited	Holding company
Alok Industries International Limited	Fellow Subsidiary
Alok Singapore PTE Ltd	Fellow Subsidiary
Alok International (Middle East) FZE	Fellow Subsidiary
Grabal Alok (UK) Limited	Fellow Subsidiary

(ii) Nature of transactions

Transaction	Holding Company		Fellow Subsidiary		Total	
	In Rupees	In USD	In Rupees	In USD	In Rupees	In USD
Equity Share Capital						
Balance as at 31st March	43,225 (43,225)	1,000 (1,000)	- (-)	- (-)	43,225 (43,225)	1,000 (1,000)
Trade Payable						
Balance as at 31st March	228,403,190 (515,238,798)	3,522,642 (7,767,470)	- (-)	- (-)	228,403,190 (515,238,798)	3,522,642 (7,767,470)
Short term borrowing & Other current liability						
Balance as at 31st March	2,979,884,578 (2,757,040,975)	44,999,571 (41,563,703)	375,804,526 (384,465,488)	5,796,000 (5,796,000)	3,355,689,103 (3,141,506,464)	50,795,571 (47,359,703)
Short term Loans and Advances						
Loans & advances (Alok Singapore Pte Ltd)						
Balance as at 31st March	- (-)	- (-)	14,782,451 (38,336,967)	227,988 (577,948)	14,782,451 (38,336,967)	227,988 (577,948)
Loans & advances (Grabal Alok (UK) Limited)						
Balance as at 31st March	- (-)	- (-)	98,554,672 (100,826,008)	1,520,000 (1,520,000)	98,554,672 (100,826,008)	1,520,000 (1,520,000)
Loans & advances (Alok International (Middle East) FZE)						
Balance as at 31st March	- (-)	- (-)	186,086,782 (190,375,423)	2,870,000 (2,870,000)	186,086,782 (190,375,423)	2,870,000 (2,870,000)

Note:

(a) Figures for the previous year are given in brackets.



ALOK INTERNATIONAL INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

22 Segment Reporting

The Company trades in textile products purchased from the holding company in the United States of America (USA) and have also earned income on account of

23 Earnings per share (EPS)

PARTICULARS	Year ended 31-Mar-2017		Year ended 31-Mar-2016		Year ended 31-Mar-2015	
	Rupees	USD	Rupees	USD	Rupees	USD
Net Profit / (Loss) for the period	(90,207,182)	(816,650)	(338,582,464)	(5,347,720)	162,775,001	1,096,250
Weighted average number of equity shares	1,000	1,000	1,000	1,000	1,000	1,000
Nominal Value of equity share	N.A.	1	N.A.	1	N.A.	1
Basic and Diluted Earnings per share	(90,207.18)	(816.65)	(338,582.46)	(5,347.72)	162,775.00	1,096.25

24 Expenditure in Foreign Currency

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

25 The balances of debtors, creditors and loans and advances are subject to confirmation, reconciliation.

26 The information contained in the financial statements for the year ended 31st March 2017 disclosed in US dollar is extracted from the books of accounts locally maintained and converted into Indian Rupees as disclosed under 'basis of preparation' stated above. The amounts in Balance Sheet, Statement of Profit and Loss and cash flow statement are rounded off to the nearest Rupee / USD. Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.

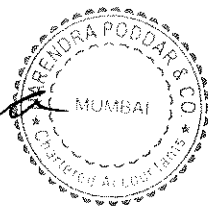
Signatures to notes 1 to 26

As per our report of even date

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

Narendra Poddar
Narendra Poddar, Proprietor
Membership No. 041256

Mumbai, 28th June 2019



For and on behalf of the Board

Ashok B. Jiwraika
Ashok B. Jiwraika
Director

Dilip B. Jiwraika
Dilip B. Jiwraika
Director

Surendra B. Jiwraika
Surendra B. Jiwraika
Director