

# Narendra Poddar & Co.

CHARTERED ACCOUNTANTS

Narendra Poddar

B.Com., F.C.A.

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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, 2018**, 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 2018**, 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, 2018**, and taken on record by the Board of Directors, none of the directors is disqualified as on **March 31, 2018**, 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 - 28<sup>th</sup> 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, 2018** in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over



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, 2018**, 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 – 28<sup>th</sup> June, 2019

**ALOK INTERNATIONAL INC.**

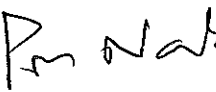
**BALANCE SHEET AS AT 31 MARCH 2018**

PARTICULARS	NOTES	AS AT 31-Mar-2018 Rupees	AS AT 31-Mar-2018 USD	AS AT 31-Mar-2017 Rupees	AS AT 31-Mar-2017 USD
<b>ASSETS</b>					
<b>1) Non-current Assets</b>					
a) Property, Plant, and Equipment	2	11,317,454	173,997	11,281,697	173,997
b) Other Intangible assets	2	12,021,419	184,820	11,983,438	184,820
C) Financial Assets					
i) Investments	3	-	-	165,867,139	2,558,154
		<b>23,338,872</b>	<b>358,816</b>	<b>189,132,274</b>	<b>2,916,970</b>
<b>2) Current Assets</b>					
a) Financial assets					
(i) Trade receivables	4	142,066,991	2,190,190	142,064,827	2,191,052
(ii) Cash & Cash Equivalents	5	-	-	330,823	5,102
(iii) Short-term Loans & Advances	6	303,356,941	4,653,934	1,031,087,428	15,902,370
b) Other Current Assets	7	6,620,249	101,781	2,130,846,734	32,444,447
		<b>452,044,182</b>	<b>6,945,905</b>	<b>3,304,329,812</b>	<b>50,542,971</b>
<b>TOTAL ASSETS</b>		<b>475,383,054</b>	<b>7,304,720</b>	<b>3,493,462,087</b>	<b>53,459,942</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
<b>Shareholders' Funds</b>					
a) Share Capital	8	43,225	1,000	43,225	1,000
b) Other equity	9	(3,286,276,548)	(49,617,039)	(265,660,433)	(3,462,149)
		<b>(3,286,233,323)</b>	<b>(49,616,039)</b>	<b>(265,617,208)</b>	<b>(3,461,149)</b>
<b>LIABILITIES</b>					
<b>1) Non-current Liabilities</b>					
a) Financial liabilities					
Borrowings	10	3,580,222	55,043	3,568,911	55,043
<b>2) Current Liabilities</b>					
a) Financial liabilities					
(i) Trade payables	11	381,520,274	5,759,581	379,664,948	5,759,581
b) Other current liabilities	12	3,358,421,662	50,827,951	3,357,808,384	50,828,284
c) Other financial liabilities	13	18,094,219	278,184	18,037,052	278,184
		<b>3,761,616,377</b>	<b>56,920,758</b>	<b>3,759,079,295</b>	<b>56,921,091</b>
<b>TOTAL</b>		<b>475,383,054</b>	<b>7,304,720</b>	<b>3,493,462,087</b>	<b>53,459,942</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>475,383,054</b>	<b>7,304,720</b>	<b>3,493,462,087</b>	<b>53,459,942</b>

Significant accounting policies and accompanying notes forming part of the financial statements 1 to 25


As per our report of even date


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

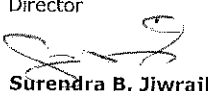
  
**Narendra Poddar, Proprietor**  
Membership No. 041256



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.**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018**

PARTICULARS	NOTES	Year ended 31-MAR-2018		Year ended 31-Mar-2017	
		Rupees	USD	Rupees	USD
<b>REVENUE</b>					
Revenue from Operations (net)	14	-	-	134,846,309	2,079,723
Other income					
<b>Revenue from Operations</b>		<b>-</b>	<b>-</b>	<b>134,846,309</b>	<b>2,079,723</b>
Other Income	15	3,968,744	61,016	178,602,198	2,662,144
<b>Total Revenue</b>		<b>3,968,744</b>	<b>61,016</b>	<b>313,448,507</b>	<b>4,741,867</b>
<b>EXPENSES</b>					
Purchase of Traded goods		-	-	262,184,644	3,907,954
Change in inventories of Traded Goods	16	-	-	(519,468,065)	(8,113,833)
Cost of Materials consumed		-	-	504,300,000	7,516,814
Employee benefits expense	17	-	-	62,430,321	930,551
Finance costs	18	399,743	6,146	10,269,318	158,383
Depreciation and Amortisation expense		-	-	8,164,366.02	121,693.47
Other expenses	19	3,030,641,118	46,209,760	69,537,182	1,036,954
<b>Total Expenses</b>		<b>3,031,040,861</b>	<b>46,215,905</b>	<b>397,417,766</b>	<b>5,558,517</b>
Loss before tax from continuing operations		<b>(3,027,072,117)</b>	<b>(46,154,889)</b>	<b>(83,969,259)</b>	<b>(816,650)</b>
<b>Tax expenses:</b>					
Current tax		-	-	-	-
- Deferred tax		-	-	-	-
<b>Total Tax Expenses</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LOSS FROM CONTINUING OPERATIONS (VII-VIII)</b>		<b>(3,027,072,117)</b>	<b>(46,154,889)</b>	<b>(83,969,259)</b>	<b>(816,650)</b>
<b>Other Comprehensive Income</b>					
Net (gain)/loss on translation		(6,456,002)	-	6,237,923	-
<b>Net loss for the period</b>		<b>(3,020,616,115)</b>	<b>(46,154,889)</b>	<b>(90,207,182)</b>	<b>(816,650)</b>
<b>EARNINGS PER SHARE</b>					
Basic and Diluted (not annualised)	22	(3,020,616.11)	(46,154.89)	(90,207.18)	(816.65)

Significant accounting policies and accompanying notes forming part of the financial statements 1 to 25

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 2018

	Year ended 31-MAR-2018		Year ended 31-Mar-2017	
	Rupees	USD	Rupees	USD
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit / (loss) before Tax	(3,020,616,115)	(46,154,889)	(947,207,183)	(13,590,537)
<b>Adjustments for :</b>				
Depreciation / Amortisation	-	-	8,164,366	121,693
Interest expense	-	-	10,269,318	158,383
Provision for doubtful debts written back	-	-	1,200,000	17,887
Provision for Doubtful advances	2,864,248,278	43,651,605	-	-
Diminution in value of investment	166,392,839	2,558,154	-	-
<b>Operating Profit before working capital changes</b>	<b>10,025,003</b>	<b>54,870</b>	<b>(927,573,499)</b>	<b>(13,292,573)</b>
<b>Adjustments for :</b>				
Increase / (Decrease) in Current Liabilities	2,525,771	(333)	1,171,608,516	17,891,274
Increase / (Decrease) in Trade receivables	(2,164)	862	225,185,756	3,345,629
Increase / (Decrease) in Inventories	-	-	293,931,935	4,431,164
Increase / (Decrease) in Loans & Advances	(12,291,307)	(60,503)	(639,969,051)	(10,457,941)
<b>Cash (used in) / generated from operations</b>	<b>257,302</b>	<b>(5,104)</b>	<b>123,183,657</b>	<b>1,917,553</b>
Income Tax Paid	-	-	-	-
<b>A) Net cash (used in) / generated from operating activities</b>	<b>257,302</b>	<b>(5,104)</b>	<b>123,183,656</b>	<b>1,917,553</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(73,737)	(0)	625,803	2,739
Purchase of Investments	(525,701)	-	(165,867,139)	(2,558,154)
<b>B) Net cash used in investing activities</b>	<b>(599,437)</b>	<b>(0)</b>	<b>(165,241,336)</b>	<b>(2,555,415)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from long term borrowing (net)	11,311	-	(11,875,402)	(181,355)
Proceeds from Short term borrowing (net)	-	-	(33,397,020)	(497,209)
<b>C) Net cash generated from / (used in) financing activities</b>	<b>11,311</b>	<b>-</b>	<b>(45,272,422)</b>	<b>(678,564)</b>
<b>Net (decrease) / increase in Cash and Cash equivalents (A+B+C)</b>	<b>(330,824)</b>	<b>(5,104)</b>	<b>(87,330,101)</b>	<b>(1,316,426)</b>
<b>Cash and Cash equivalents at the beginning of the period</b>	<b>330,823</b>	<b>5,102</b>	<b>87,660,924</b>	<b>1,321,530</b>
<b>Cash and Cash equivalents at the end of the period</b>	<b>(0)</b>	<b>(0)</b>	<b>330,823</b>	<b>5,102</b>

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-18		Year ended 31-Mar-17	
	Rupees	USD	Rupees	USD
Cash and Cash equivalents as per Balance sheet	-	-	330,823	5,102
Add: Effect of exchange rate change	-	-	-	-
Less: Earmarked deposits with bank	-	-	-	-
<b>Cash and Cash equivalents at the end of period</b>	<b>-</b>	<b>-</b>	<b>330,823</b>	<b>5,102</b>

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 2018**

**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 2017 TO 31ST MARCH, 2018

2. FIXED ASSETS

SR NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 1-Apr-17	Additions	Deduction/ Adjustment	As at 31-Mar-18	As at 1-Apr-17	For the period	Deduction/ Adjustment	As at 31-Mar-18	As at 31-Mar-18	As at 31-Mar-17
		(Rupees)									
	<b>Tangible Assets</b>										
1	Plant & Equipment	11,122,131	-	(35,251)	11,157,381	10,139,660	-	(32,137)	10,171,797	985,584	982,471
2	Computers	5,055,606	-	(16,023)	5,071,629	1,657,914	-	(5,255)	1,663,169	3,408,460	3,397,691
3	Furniture & Fixtures	835,989	-	(2,650)	838,638	107,056	-	(339)	107,395	731,243	728,933
4	Vehicle	10,745,241	-	(34,056)	10,779,298	4,572,639	-	(14,493)	4,587,132	6,192,166	6,172,602
	<b>Sub Total</b>	<b>27,758,967</b>	<b>-</b>	<b>(87,979)</b>	<b>27,846,946</b>	<b>16,477,269</b>	<b>-</b>	<b>(52,223)</b>	<b>16,529,493</b>	<b>11,317,454</b>	<b>11,281,697</b>
	<b>Intangible Assets</b>										
1	Computer Software / Trademarks/Brands	15,436,418	-	(37,980.34)	15,474,398	3,452,980	-	-	3,452,980	12,021,419	11,983,438
	<b>Sub Total</b>	<b>15,436,418</b>	<b>-</b>	<b>(37,980)</b>	<b>15,474,398</b>	<b>3,452,980</b>	<b>-</b>	<b>-</b>	<b>3,452,980</b>	<b>12,021,419</b>	<b>11,983,438</b>
	<b>Total Current Period</b>	<b>43,195,385</b>	<b>-</b>	<b>(125,960)</b>	<b>43,321,344</b>	<b>19,930,249</b>	<b>-</b>	<b>(52,223)</b>	<b>19,982,472</b>	<b>23,338,872</b>	<b>23,265,136</b>

SR NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 1-Apr-17	Additions	Deduction/ Adjustment	As at 31-Mar-18	As at 1-Apr-17	For the period	Deduction/ Adjustment	As at 31-Mar-18	As at 31-Mar-18	As at 31-Mar-17
		(USD)									
	<b>Tangible Assets</b>										
1	Plant & Equipment	171,536	-	-	171,536	147,138	-	-	147,138	24,397	24,397
2	Computers	77,972	-	-	77,972	25,279	-	-	25,279	52,694	52,694
3	Furniture & Fixtures	12,893	-	-	12,893	1,632	-	-	1,632	11,261	11,261
4	Vehicle	165,723	-	-	165,723	80,078	-	-	80,078	85,645	85,645
	<b>Sub Total</b>	<b>428,124</b>	<b>-</b>	<b>-</b>	<b>428,124</b>	<b>254,127</b>	<b>-</b>	<b>-</b>	<b>254,127</b>	<b>173,997</b>	<b>173,997</b>
	<b>Intangible Assets</b>										
1	Computer Software / Trademarks/Brands	238,075	-	-	238,075	53,255	-	-	53,255	184,819	184,819
	<b>Sub Total</b>	<b>238,075</b>	<b>-</b>	<b>-</b>	<b>238,075</b>	<b>53,255</b>	<b>-</b>	<b>-</b>	<b>53,255</b>	<b>184,819</b>	<b>184,819</b>
	<b>Total Current Period</b>	<b>666,199</b>	<b>-</b>	<b>-</b>	<b>666,199</b>	<b>307,383</b>	<b>-</b>	<b>-</b>	<b>307,383</b>	<b>358,816</b>	<b>358,816</b>



**ALOK INTERNATIONAL INC.**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

PARTICULARS	AS AT 31-Mar-18 Rupees	AS AT 31-Mar-18 USD	AS AT 31-Mar-17 Rupees	AS AT 31-Mar-17 USD
<b>3. INVESTMENTS</b>				
Other Investments	-	-	165,867,139	2,558,154
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>165,867,139</b>	<b>2,558,154</b>
<b>4. TRADE RECEIVABLES (Unsecured)</b>				
Debts Outstanding for a period exceeding six months from due date				
Less : Provision				
Other debts	147,022,208	2,266,371	147,004,388	2,267,234
Less : Provision	4,955,217	76.181	4,939,561	76.181
	142,066,991	2,190,190	142,064,827	2,191,052
<b>TOTAL</b>	<b>142,066,991</b>	<b>2,190,190</b>	<b>142,064,827</b>	<b>2,191,052</b>
Considered Good	142,066,991	2,190,190	142,064,827	2,191,052
Considered Doubtful	4,955,217	76.181	4,939,561	76.181
<b>TOTAL</b>	<b>147,022,208</b>	<b>2,266,371</b>	<b>147,004,388</b>	<b>2,267,234</b>
<b>5. CASH &amp; CASH EQUIVALENTS</b>				
Cash & Cash Equivalents				
Balance with Bank	-	-	330,823	5,102
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>330,823</b>	<b>5,102</b>
<b>6. SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good)</b>				
Loans & advances to Related parties	301,024,821	4,617,988	299,423,905	4,617,988
Others	-	-	729,332,861	11,248,436
Advance to Staff	1,932,120	29,777	1,930,661	29,777
Other current financial assets	400,000	6.169	400,000	6.169
<b>TOTAL</b>	<b>303,356,941</b>	<b>4,653,934</b>	<b>1,031,087,428</b>	<b>15,902,370</b>
<b>7. OTHER CURRENT ASSETS</b>				
Prepaid Expenses	8,293,210	127,501	8,267,008	127,501
Advance to vendors	0	(0)	2,124,247,401	32,342,666
Advance to Others	(2,206,973)	(33,930)	(2,200,000)	(33,930)
Lease & Security Deposit	534,012	8.210	532,325	8.210
<b>TOTAL</b>	<b>6,620,249</b>	<b>101,781</b>	<b>2,130,846,734</b>	<b>32,444,447</b>



ALOK INTERNATIONAL INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

PARTICULARS	AS AT 31-Mar-18 Rupees	AS AT 31-Mar-18 USD	AS AT 31-Mar-17 Rupees	AS AT 31-Mar-17 USD
<b>8. SHARE CAPITAL</b>				
(a) <b>Authorised Shares</b> 1,000,000 Common Shares of USD 1/- each	43,225,000	1,000,000	43,225,000	1,000,000
	<b>43,225,000</b>	<b>1,000,000</b>	<b>43,225,000</b>	<b>1,000,000</b>
(b) <b>Issued, Subscribed and fully paid-up Equity Share Capital</b> 1,000 Common Shares of USD 1/- each fully paid	43,225	1,000	43,225	1,000
<b>TOTAL</b>	<b>43,225</b>	<b>1,000</b>	<b>43,225</b>	<b>1,000</b>
<b>NOTES :</b>				
(i)	The Company is a wholly owned subsidiary of Alok Industries Limited and there is no change in the share capital during the period/year.			
(ii)	<b>Terms/rights attached to equity shares</b> 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.			
<b>9. RESERVES AND SURPLUS</b>				
<b>(Deficit)/Surplus in the Statement of Profit and Loss</b>				
Balance brought forward from previous period/year	(259,422,510)	(3,462,149)	(175,453,251)	(2,645,499)
Profit / (Loss) for the period	(3,027,072,117)	(46,154,889)	(83,969,259)	(816,650)
	(3,286,494,627)	(49,617,039)	(259,422,510)	(3,462,149)
Foreign Currency Translation Reserve opening balance	(6,237,923)	-	-	-
Add: Transferred to statement of Profit and Loss	6,456,002	-	(6,237,923)	-
	218,079	-	(6,237,923)	-
<b>TOTAL</b>	<b>(3,286,276,548)</b>	<b>(49,617,039)</b>	<b>(265,660,433)</b>	<b>(3,462,149)</b>
<b>10. LONG-TERM BORROWINGS</b>				
Term loan from Bank				
Vehicle loan from Banks (Secured)	3,580,222	55,043	3,568,911	55,043
<b>TOTAL</b>	<b>3,580,222</b>	<b>55,043</b>	<b>3,568,911</b>	<b>55,043</b>
<b>11. TRADE PAYABLES</b>				
Total Outstanding due to: Creditors for supplies / services	381,520,274	5,759,581	379,664,948	5,759,581
<b>TOTAL</b>	<b>381,520,274</b>	<b>5,759,581</b>	<b>379,664,948</b>	<b>5,759,581</b>
<b>12. OTHER CURRENT LIABILITIES</b>				
Advance from customers	2,227,863	34,252	2,220,824	34,252
Creditors for statutory liabilities	(123,453)	(1,872)	(101,543)	(1,539)
Advance from Related party	3,356,317,252	50,795,571	3,355,689,103	50,795,571
<b>TOTAL</b>	<b>3,358,421,662</b>	<b>50,827,951</b>	<b>3,357,808,384</b>	<b>50,828,284</b>
<b>13. OTHER FINANCIAL LIABILITIES</b>				
Capital Business Redit LLC	18,094,219	278,184	18,037,052	278,184
<b>TOTAL</b>	<b>18,094,219</b>	<b>278,184</b>	<b>18,037,052</b>	<b>278,184</b>



**ALOK INTERNATIONAL INC.**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

PARTICULARS	Year ended 31-MAR-2018		Year ended 31-Mar-2017	
	Rupees	USD	Rupees	USD
<b>14. REVENUE FROM OPERATIONS</b>				
Sale of traded goods	-	-	134,846,309	2,079,723
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>134,846,309</b>	<b>2,079,723</b>
<b>15. OTHER INCOME</b>				
Net gain/loss in investments				
<b>Other non operating Income</b>				
Provision for doubtful debts written back	-	-	(1,200,000)	(17,887)
Exchange rate differences (net)	-	-	179,802,198	2,680,031
Rent income	3,566,584	54,833	-	-
Misc income	402,160	6,183	-	-
<b>TOTAL</b>	<b>3,968,744</b>	<b>61,016</b>	<b>178,602,198</b>	<b>2,662,144</b>
<b>16. CHANGE IN INVENTORIES OF STOCK IN TRADE</b>				
<b>CLOSING STOCK AS ON 31ST MARCH</b>				
Traded Goods	813,400,000	12,544,996	813,400,000	12,544,996
<b>LESS : OPENING STOCK AS ON 1ST APRIL</b>				
Traded Goods	813,400,000	12,544,996	293,931,935	4,431,164
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>519,468,065</b>	<b>8,113,833</b>
<b>17. EMPLOYEE BENEFIT EXPENSES</b>				
Salaries & Wages	-	-	62,306,981	928,713
Contribution to provident & other fund	-	-	58,126	866
Staff Welfare Expenses	-	-	65,214	972
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>62,430,321</b>	<b>930,551</b>
<b>18. FINANCE COSTS</b>				
Factoring Charges / Other Borrowing cost	399,743	6,146	10,269,318	158,383
<b>TOTAL</b>	<b>399,743</b>	<b>6,146</b>	<b>10,269,318</b>	<b>158,383</b>
<b>19. OTHER EXPENSES</b>				
Purchase of Stores & spares				
Freight	-	-	3,954,941	58,950
Labour charges	-	-	9,986,764	148,857
Commission on sales	-	-	5,833,248	86,947
Electricity expenses	-	-	172,954	2,578
Rates and taxes	-	-	76,160	1,135
Insurance charges	-	-	3,354,480	50,000
Legal and Professional charges	-	-	3,766,798	56,146
Office rent	-	-	23,520,523	351,056
Opening P&L difference	-	-	13,960,868	208,093
Provision for Doubtful advances	2,864,248,278	43,651,605	-	-
Diminution in value of investment	166,392,839	2,558,154	-	-
Miscellaneous Expenses	-	-	4,910,445	73,192
(Includes Sampling Charges, Godown Expenses, Security Expenses, Printing & Stationary etc.)				
<b>TOTAL</b>	<b>3,030,641,118</b>	<b>46,209,760</b>	<b>69,537,182</b>	<b>1,036,954</b>



ALOK INTERNATIONAL INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

20 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
<b>Equity Share Capital</b>						
Balance as at 31st March	43,225 (43,225)	1,000 (1,000)	- (-)	- (-)	43,225 (43,225)	1,000 (1,000)
<b>Trade Payable</b>						
Balance as at 31st March	28,511,902 (228,403,190)	438,347 (3,522,642)	- (-)	- (-)	28,511,902 (228,403,190)	438,347 (3,522,642)
<b>Short term borrowing &amp; Other current liability</b>						
Balance as at 31st March	2,979,321,649 (2,979,884,578)	44,999,571 (44,999,571)	376,995,604 (375,804,526)	5,796,000 (5,796,000)	3,356,317,252 (3,355,689,103)	50,795,571 (50,795,571)
<b>Short term Loans and Advances</b>						
<b>Loans &amp; advances (Alok Singapore Pte Ltd)</b>						
Balance as at 31st March	- (-)	- (-)	15,481,222 (14,782,451)	227,988 (227,988)	15,481,222 (14,782,451)	227,988 (227,988)
<b>Loans &amp; advances (Grabal Alok (UK) Limited)</b>						
Balance as at 31st March	- (-)	- (-)	98,867,032 (98,554,672)	1,520,000 (1,520,000)	98,867,032 (98,554,672)	1,520,000 (1,520,000)
<b>Loans &amp; advances (Alok International (Middle East) FZE)</b>						
Balance as at 31st March	- (-)	- (-)	186,676,567 (186,086,782)	2,870,000 (2,870,000)	186,676,567 (186,086,782)	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 2018**

**21 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

**22 Earnings per share (EPS)**

PARTICULARS	Year ended 31-Mar-2018		Year ended 31-Mar-2017	
	Rupees	USD	Rupees	
Net Profit / (Loss) for the period	(3,020,616,115)	(46,154,889)	(90,207,182)	(816,650)
Weighted average number of equity shares	1,000	1,000	1,000	1,000
Nominal Value of equity share	N.A.	1	N.A.	1
Basic and Diluted Earnings per share	(3,020,616.11)	(46,154.89)	(90,207.18)	(816.65)

**23 Expenditure in Foreign Currency**

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

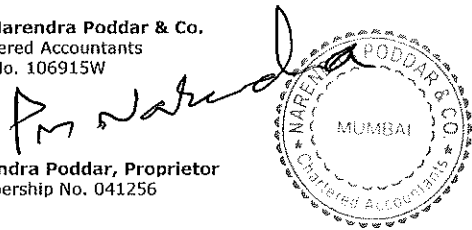
**24** The balances of debtors, creditors and loans and advances are subject to confirmation, reconciliation.

**25** The information contained in the financial statements for the year ended 31st March 2018 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 25

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

*(Signature)*  
Ashok B. Jiwraika  
Director

*(Signature)*  
Dilip B. Jiwraika  
Director

*(Signature)*  
Sufendra B. Jiwraika  
Director