

Deloitte Haskins & Sells LLP

Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF ALOK INTERNATIONAL (MIDDLE EAST) FZE.

Report on the Financial Statements

We have audited the accompanying financial statements of **ALOK INTERNATIONAL (MIDDLE EAST) FZE.** ("the Company"), which comprise the Balance Sheet as at September 30, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the period April 1, 2013 to September 30, 2013 and a summary of the significant accounting policies and other explanatory information.

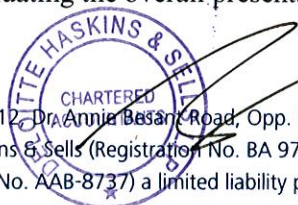
Management's Responsibility for the Financial Statements

The Company's Management is responsible for 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. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 control relevant to the Company'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 Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.



**Deloitte
Haskins & Sells LLP**

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 and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at September 30, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the period; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the period.

Other Matter

This report is issued solely for the purpose of consolidation of the financial statements of the Company with the holding company, Alok Industries Limited, and should not be used for any other purposes.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI FRN No. 117366W/W-100018



A handwritten signature in black ink, appearing to read "R. D. Kamat".

R. D. Kamat
Partner
Membership No. 36822

MUMBAI, November 22, 2013

ALOK INTERNATIONAL (MIDDLE EAST) FZE

BALANCE SHEET AS AT 30 SEPTEMBER 2013

PARTICULARS	NOTES	AS AT 30-Sep-13 Rupees	AS AT 30-Sep-13 AED	AS AT 31-Mar-13 Rupees	AS AT 31-Mar-13 AED
I EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
Share Capital	3	13,098,744	1,000,000	13,098,744	1,000,000
Reserves and Surplus	4	15,935,222	298,902	2,758,838	78,223
		29,033,966	1,298,902	15,857,582	1,078,223
(2) Non-Current Liabilities					
Long-term borrowing	5	3,771,120,522	220,380,000	-	-
Long-term provisions	6	870,511	50,872	557,047	37,652
(3) Current Liabilities					
Trade payables	7	373,410	21,822	561,471	37,951
Other current liabilities	8	5,656,785,629	330,576,127	56,654	3,829
Short term provisions	9	1,100,238	64,297	466,914	31,560
TOTAL		9,459,284,276	552,392,020	17,499,668	1,189,215
II ASSETS					
(1) Non-current Assets					
Fixed assets					
Tangible assets	10	2,525,393	177,858	2,675,164	187,187
Long-term loans & advances	11	62,274,044	3,878,940	-	-
(2) Current Assets					
Trade receivables	12	34,511,480	2,016,812	8,079,591	546,121
Cash & bank balances	13	1,890,412,888	110,473,583	6,471,214	437,407
Short-term loans & advances	14	7,467,040,810	435,697,581	273,699	18,500
Other current assets	15	2,519,661	147,246	-	-
TOTAL		9,459,284,276	552,392,020	17,499,668	1,189,215

III Significant notes forming part of the financial statements 1 to 30

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

R. D. Kamat
Partner



Place: Mumbai
Date: 22 November, 2013

For and on behalf of the Board

Ashok B. Jiwrajka
(Director)

Dilip B. Jiwrajka
(Director)

Surendra B. Jiwrajka
(Director)

Place: Mumbai
Date: 22 November, 2013



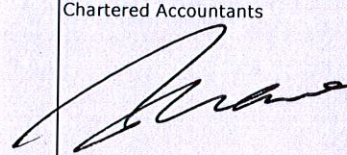
ALOK INTERNATIONAL (MIDDLE EAST) FZE

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 1 APRIL 2013 TO 30 SEPTEMBER 2013

PARTICULARS	NOTES	Period ended 30-Sep-13		Period ended 31-Mar-13	
		Rupees	AED	Rupees	AED
I. REVENUE					
Revenue From Operations	16	27,377,148	1,705,274	17,880,591	1,251,140
Other Income	17	2,363,948	147,246	15,192	1,066
Total (I)		29,741,096	1,852,520	17,895,783	1,252,206
II. EXPENSES					
Employee benefits expense	18	4,010,806	249,826	10,541,176	737,587
Finance cost	19	19,190,685	1,195,354	-	-
Depreciation expense	10	160,094	9,972	352,113	24,638
Other expenses	20	2,836,614	176,689	5,884,596	411,758
Total (II)		26,198,199	1,631,841	16,777,885	1,173,983
III. Net profit for the period before translation difference (I - II)		3,542,897	220,679	1,117,898	78,223
Net exchange gain on translation	2 (i)(b)	9,633,487	-	1,640,940	-
IV. Net profit for the period		13,176,384	220,679	2,758,838	78,223
V. EARNINGS PER SHARE					
Basic and Diluted (Not annualised)	25	13,176,384	220,679	2,758,838	78,223
VI. Significant notes forming part of the financial statements	1 to 30				

In terms of our report attached

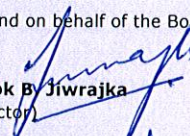
For Deloitte Haskins & Sells LLP
Chartered Accountants

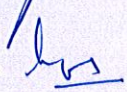

R. D. Kamat
Partner

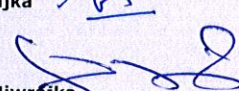


Place: Mumbai
Date: 22 November, 2013

For and on behalf of the Board


Ashok B. Jiwrajka
(Director)


Dilip B. Jiwrajka
(Director)


Surendra B. Jiwrajka
(Director)

Place: Mumbai
Date: 22 November, 2013



ALOK INTERNATIONAL (MIDDLE EAST) FZE

CASH FLOW STATEMENT FOR THE PERIOD FROM 1 APRIL 2013 TO 30 SEPTEMBER 2013

PARTICULARS	From 1-Apr-13 to 30 Sep-13		From 1-Aug-11 to 31 Mar-13	
	Rupees	AED	Rupees	AED
A) CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax	13,176,384	220,679	2,758,838	78,223
Adjustments for :				
Unrealised exchange loss	(9,645,433)	(874)	(1,616,174)	1,674
Depreciation	160,094	9,972	352,113	24,638
Finance costs	19,190,685	1,195,354	-	-
Interest income	(2,363,948)	(147,246)	-	-
Operating Profit before working capital changes	20,517,782	1,277,885	1,494,777	104,535
Adjustments for :				
Increase in current liabilities & provisions	515,764	32,126	1,586,076	110,992
Increase in trade receivables	(23,611,055)	(1,470,691)	(7,804,069)	(546,121)
Increase in loans and advances	(7,056,838,368)	(439,558,021)	(264,365)	(18,500)
Net cash used in operating activities (A)	(7,059,415,877)	(439,718,701)	(4,987,581)	(349,094)
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(10,323)	(643)	(3,027,277)	(211,825)
Fixed deposits placed	(1,769,033,854)	(110,190,000)	-	-
Net cash used in investing activities (B)	(1,769,044,177)	(110,190,643)	(3,027,277)	(211,825)
C) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of equity share capital	-	-	13,098,744	1,000,000
Proceeds from Borrowings	8,845,169,271	550,950,000	-	-
Finance costs	(19,190,685)	(1,195,354)	-	-
Net cash generated from Financing activities (C)	8,825,978,586	549,754,646	13,098,744	1,000,000
Net Increase in Cash and Cash equivalents (A+B+C)	(2,481,468)	(154,698)	5,083,886	439,081
Cash and Cash equivalents at the beginning of the period	6,495,980	439,081	-	-
Effect of exchange rate change on cash and cash equivalent	850,935	-	1,412,094	-
Cash and Cash equivalents at the end of the period	4,865,447	284,383	6,495,980	439,081

NOTES TO CASH FLOW STATEMENT

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

Particulars	AS AT 31 MARCH 2013		AS AT 31 MARCH 2013	
	Rupees	AED	Rupees	AED
Cash and Cash equivalents as per Balance sheet	1,890,412,888	110,473,583	6,471,214	437,407
Add: Effect of exchange rate change	12,820	800	24,766	1,674
Less: Earmarked deposits with bank	(1,885,560,261)	(110,190,000)	-	-
Cash and Cash equivalents as restated at the end of period	4,865,447	284,383	6,495,980	439,081

2 The Cash Flow Statement has been prepared in accordance with the requirements of Accounting Standard (AS) 3 "Cash Flow Statements".

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants



B. D. Kamat
Partner

For and on behalf of the Board

Ashok B. Jiwrajka
Director

Dilip B. Jiwrajka
Director

Surendra B. Jiwrajka
Director

Place: Mumbai
Date: 22 November, 2013

Place: Mumbai
Date: 22 November, 2013



ALOK INTERNATIONAL (MIDDLE EAST) FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2013 TO 30 SEPTEMBER 2013

1. BACKGROUND

Alok International (Middle East) FZE was incorporated on 1st August 2011 as a Free Zone Establishment with limited liability pursuant to Law No. 2 of 1996 of H.H. Sheikh Maktoum Bin Rashid Al Maktoum, Ruler of Dubai and implementing regulations issued thereunder by the Dubai Airport Free Zone Authority and is a wholly owned subsidiary of Alok Industries Limited, a Company incorporated in India. The company is engaged in the business of providing marketing services and trading in home textile products, apparels fabrics, garments and polyester yarns. These financial statements are prepared solely for the purpose of consolidation by the holding company, Alok Industries Limited.

2. (i) Basis of Preparation of Financial Statements

a) These financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India and the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006.

b) Translation to Indian Rupees :-

The accounts are maintained in United Arab Emirate Dirham (AED) being currency of United Arab Emirates (UAE). 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.

(ii) 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.

(iii) Revenue recognition

- Revenue on sale of traded goods is recognised when the goods are dispatched to customers, all significant contractual obligations have been satisfied and the collection of the resulting receivable is reasonably expected. Sales are stated net of trade discount, returns and sales tax collected. Markup fees on sale of traded goods is recognised when such sale is recognised as above.

- Revenue from marketing service charges is recognised on rendering of the related services in accordance with the terms of the agreement.

(iv) Inventory

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

(v) 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.

(vi) Foreign Currency Transactions

- Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the time of the transactions.
- Monetary items denominated in foreign currencies at the balance sheet date are restated at closing rate on balance sheet date.
- Non-monetary foreign currency items are carried at cost.
- Any income or expense on account of exchange difference either on settlement or on translation is recognised in the statement of profit and loss.

(vii) Provisions, Contingent Liabilities and Contingent Assets

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

(viii) Fixed Assets

a) Own Assets:

Fixed Assets are stated at cost of acquisition or construction including directly attributable cost. They are stated at historical cost less accumulated depreciation and impairment loss, if any.

b) Assets taken on lease:

- Finance Lease:

Assets taken on lease after April 1, 2001 are accounted for as fixed assets in accordance with Accounting Standard on "Leases" AS-19. Accordingly, the assets have been accounted at fair value. Lease payments are apportioned between finance charges and reduction of outstanding liability.

- Operating Lease:

Assets taken on lease under which, all the risk and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on accrual basis in accordance with the respective lease agreements

(ix) Depreciation

- Depreciation on Fixed Assets is provided on straight line method at the rates and in the manner specified in Schedule XIV to the Indian Companies Act, 1956.
- 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 / disposal, as the case may be.



ALOK INTERNATIONAL (MIDDLE EAST) FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2013 TO 30 SEPTEMBER 2013

(x) Employee Benefits

a) Defined Contribution Plan

There are no defined contribution plan 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 UAE. The defined benefit plans are not funded.

PARTICULARS	AS AT 30-Sep-13 Rupees	AS AT 30-Sep-13 AED	AS AT 31-Mar-13 Rupees	AS AT 31-Mar-13 AED
3. SHARE CAPITAL				
Authorised Shares				
1 Equity Share of AED 1,000,000 each	13,098,744	1,000,000	13,098,744	1,000,000
	<u>13,098,744</u>	<u>1,000,000</u>	<u>13,098,744</u>	<u>1,000,000</u>
Issued, Subscribed and fully Paid Up				
1 Equity Share of AED 1,000,000 each	13,098,744	1,000,000	13,098,744	1,000,000
TOTAL	<u>13,098,744</u>	<u>1,000,000</u>	<u>13,098,744</u>	<u>1,000,000</u>

Additional information :

a) The company has been incorporated as a wholly owned subsidiary of Alok Industries Limited and there has been no change in the share capital since incorporation.

b) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of AED 1,000,000 per share. Each holder of equity share is entitled to one vote per share. The shareholders are entitled for dividend in AED as and when recommended by the Board of Directors and approved by the shareholders at the Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holder.

PARTICULARS	AS AT 30-Sep-13 Rupees	AS AT 30-Sep-13 AED	AS AT 31-Mar-13 Rupees	AS AT 31-Mar-13 AED
4. RESERVES AND SURPLUS				
Surplus in the Statement of Profit and Loss				
Opening balance	2,758,838	78,223	-	-
Profit for the period	13,176,384	220,679	2,758,838	78,223
TOTAL	<u>15,935,222</u>	<u>298,902</u>	<u>2,758,838</u>	<u>78,223</u>
5. LONG-TERM BORROWINGS (Unsecured)				
Term Loan from Bank	3,771,120,522	220,380,000	-	-
TOTAL	<u>3,771,120,522</u>	<u>220,380,000</u>	<u>-</u>	<u>-</u>

Note:

1. The Term Loan is repayable in five quarterly instalments from March, 2014.
2. Secured by corporate guarantee given by Alok Industries Limited, the holding company and pledge of equity shares held by it.
3. The Interest rate is 3.5% p.a.

6. LONG-TERM PROVISIONS

Provision for employee benefits	870,511	50,872	557,047	37,652
TOTAL	<u>870,511</u>	<u>50,872</u>	<u>557,047</u>	<u>37,652</u>

7. TRADE PAYABLES

Creditors for supplies / services	292,993	17,122	491,958	33,251
Accrued wages and salaries etc.	80,417	4,700	69,513	4,700
TOTAL	<u>373,410</u>	<u>21,822</u>	<u>561,471</u>	<u>37,951</u>

8. OTHER CURRENT LIABILITIES

Current maturities of long term debts (Refer note 5 for details)	5,656,680,783	330,570,000	-	-
Payable to staff	104,846	6,127	56,654	3,829
TOTAL	<u>5,656,785,629</u>	<u>330,576,127</u>	<u>56,654</u>	<u>3,829</u>

9. SHORT-TERM PROVISIONS

Provision for employee benefits	1,100,238	64,297	466,914	31,560
TOTAL	<u>1,100,238</u>	<u>64,297</u>	<u>466,914</u>	<u>31,560</u>



ALOK INTERNATIONAL (MIDDLE EAST) FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2013 TO 30 SEPTEMBER 2013

10. FIXED ASSETS

(Amount in AED)

SR. NO.	DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION / AMORTISATION			NET BLOCK	
		AS AT 1-Apr-13	ADDITIONS	DEDUCTIONS/ ADJUSTMENTS	AS AT 30-Sep-13	AS AT 1-Apr-13	FOR THE PERIOD	AS AT 30-Sep-13	AS AT 30-Sep-13	AS AT 31-Mar-13
	TANGIBLE ASSETS :									
1	Vehicles	1,78,613	-	-	1,78,613	21,664	8,507	30,171	1,48,442	1,56,949
2	Office Equipments	1,200	385	-	1,585	41	42	83	1,502	1,159
3	Furniture & Fixtures	23,854	258	-	24,112	1,545	760	2,305	21,807	22,309
4	Computer and Peripherals	8,158	-	-	8,158	1,388	663	2,051	6,107	6,770
	Total	2,11,825	643	-	2,12,468	24,638	9,972	34,610	1,77,858	1,87,187
	Previous Year	-	2,11,825	-	2,11,825	-	24,638	24,638	1,87,187	

(Amount in Rupees)

SR. NO.	DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION / AMORTISATION			NET BLOCK	NET BLOCK
		AS AT 1-Apr-13	ADDITIONS	DEDUCTIONS/ ADJUSTMENTS	AS AT 30-Sep-13	AS AT 1-Apr-13	FOR THE PERIOD	AS AT 30-Sep-13	AS AT 30-Sep-13	AS AT 31-Mar-13
	TANGIBLE ASSETS :									
1	Vehicles	25,52,636	-	-	25,52,636	3,09,610	1,36,575	4,46,185	21,06,451	22,43,026
2	Office Equipments	17,150	6,181	-	23,331	586	674	1,260	22,071	16,564
3	Furniture & Fixtures	3,40,901	4,142	-	3,45,043	22,080	12,201	34,281	3,10,762	3,18,821
4	Computer and Peripherals	1,16,590	-	-	1,16,590	19,837	10,644	30,481	86,109	96,753
	Total	30,27,277	10,323	-	30,37,600	3,52,113	1,60,094	5,12,207	25,25,393	26,75,164
	Previous Year	-	30,27,277	-	30,27,277	-	3,52,113	3,52,113	26,75,164	



ALOK INTERNATIONAL (MIDDLE EAST) FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2013 TO 30 SEPTEMBER 2013

PARTICULARS	AS AT 30-Sep-13 Rupees	AS AT 30-Sep-13 AED	AS AT 31-Mar-13 Rupees	AS AT 31-Mar-13 AED
11. LONG TERM LOAN AND ADVANCES (Unsecured, considered good)				
Prepaid expenses	62,274,044	3,878,940	-	-
TOTAL	<u>62,274,044</u>	<u>3,878,940</u>	-	-
12. TRADE RECEIVABLES (unsecured, considered good)				
From Alok Industries Limited (Refer note no. 21)				
- Outstanding for a period exceeding six months from due date	5,331,007	311,538	-	-
- Other debts	29,180,473	1,705,274	8,079,591	546,121
TOTAL	<u>34,511,480</u>	<u>2,016,812</u>	<u>8,079,591</u>	<u>546,121</u>
13. CASH AND BANK BALANCES				
A Cash and Cash Equivalents				
Balances with Bank				
In Current account	4,852,627	283,583	6,471,214	437,407
B Other bank balances				
In Fixed deposits				
- Earmarked fixed deposit	1,885,560,261	110,190,000	-	-
TOTAL	<u>1,890,412,888</u>	<u>110,473,583</u>	<u>6,471,214</u>	<u>437,407</u>
14. SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good)				
Advance to holding company against future purchases (Refer note no. 21)	7,312,434,657	426,068,000	-	-
Others				
Prepaid expenses	154,459,846	9,621,031	147,206	9,950
Security deposit	146,307	8,550	126,493	8,550
TOTAL	<u>7,467,040,810</u>	<u>435,697,581</u>	<u>273,699</u>	<u>18,500</u>
15. OTHER CURRENT ASSETS				
Interest receivable on fixed deposit	2,519,661	147,246	-	-
TOTAL	<u>2,519,661</u>	<u>147,246</u>	-	-



ALOK INTERNATIONAL (MIDDLE EAST) FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2013 TO 30 SEPTEMBER 2013

PARTICULARS	For the period ended		For the period ended	
	30-Sep-13 Rupees	30-Sep-13 AED	31-Mar-13 Rupees	31-Mar-13 AED
16. REVENUE FROM OPERATIONS				
Sale of Traded goods				
Sales	-	-	6,959,015	486,936
Less : Purchase of Traded goods from holding company	-	-	6,959,281	486,955
			(266)	(19)
Mark up fees on sales from holding company (Refer note no 24 (b))	-	-	347,951	24,347
			347,685	24,328
Sale of Services				
Marketing Service Charges from holding company (Refer note no 24 (a))	27,377,148	1,705,274	17,532,906	1,226,812
TOTAL	27,377,148	1,705,274	17,880,591	1,251,140
17. OTHER INCOME				
Exchange rate difference gain (net)	-	-	15,192	1,066
Interest Income	2,363,948	147,246	-	-
TOTAL	2,363,948	147,246	15,192	1,066
18. EMPLOYEE BENEFITS EXPENSE				
Salaries & Wages	3,273,010	203,870	9,529,096	666,770
Gratuity and compensated absences	737,796	45,956	989,144	69,212
Employee welfare expenses	-	-	22,936	1,605
TOTAL	4,010,806	249,826	10,541,176	737,587
19. FINANCE COST				
Interest expense	11,983,915	746,457	-	-
Other borrowing cost	7,206,770	448,897	-	-
	19,190,685	1,195,354	-	-
20. OTHER EXPENSES				
Rent	1,551,786	96,658	3,598,819	251,817
Conveyance expenses	86,307	5,376	393,829	27,557
Legal & profession charges	420,102	26,167	84,591	5,919
Communication expenses	163,037	10,155	449,104	31,425
Insurance charges	50,938	3,173	31,507	2,205
Fees rates & taxes	107,779	6,713	245,438	17,174
Exchange rate difference loss (net)	12,820	800	-	-
Repairs & maintenance	73,505	4,579	31,884	2,231
Auditors Remuneration (including service tax)	210,856	13,134	449,485	31,451
Miscellaneous Expenses (includes Bank charges, Travelling expenses, Membership & subscription, Vehicle Expense etc.)	159,484	9,934	599,939	41,979
TOTAL	2,836,614	176,689	5,884,596	411,758



21. RELATED PARTIES DISCLOSURES

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

I Names of related party and nature of relationship

Alok Industries Limited

Holding Company

II Transactions with Related parties

Particulars of transaction / balance	With holding Company	
	In Rupees	In AED
Equity Share Capital		
Alok Industries Limited		
Balance as at 1-Apr-2013	13,098,744	1,000,000
Received during the period	(-)	(-)
Balance as at 30-Sep-2013	(13,098,744)	(1,000,000)
	13,098,744	1,000,000
	(13,098,744)	(1,000,000)
Trade Receivable		
Alok Industries Limited		
Balance as at 30-Sep-2013	34,511,480	2,016,812
	(8,079,591)	(546,121)
Short Term Loans & Advances		
Alok Industries Limited		
Balance as at April 1	-	-
Received during the period	(-)	(-)
Balance as at March 31	7,312,434,657	426,068,000
	(-)	(-)
	7,312,434,657	426,068,000
	(-)	(-)
Purchase of Traded goods	-	-
	(6,959,281)	(486,955)
Marketing Service Charges income	27,377,148	1,705,274
	(17,532,906)	(1,226,812)
Mark up Fees on Sales	-	-
	(374,951)	(24,347)

Note: Previous period figures are given in brackets.

22. SEGMENT REPORTING

The Company trades in home furnishing items, apparels fabric, garments and polyester yarn purchased from the holding company and has also earned income towards marketing services provided to the holding company as stated in Note no. 16 and 24(a), which is incidental to trading activities. In the opinion of the company, the company has only one reportable segment i.e. "Trading". During the period, the Company operated only in one geographical segment.

23. ADDITIONAL INFORMATION**a) Sales for the period in broad heads**

Particulars	Amount (INR)	Amount (AED)
Terry Towels	-	-
	(6,959,015)	(486,936)

b) Purchase of traded goods for the period in broad heads

Particulars	Amount (INR)	Amount (AED)
Terry Towels	-	-
	(6,959,281)	(486,955)

Note: Previous period figures are given in brackets.

- 24. a)** Service charges represent income received/accrued towards reimbursement of marketing and other expenses with a mark up of 4.5%, incurred for Alok Industries Limited, the holding Company, in terms of the marketing services agreement.
- b)** As per the terms of the agreement for traded goods with Alok Industries Limited, the holding Company, markup fees @ 5% is charged on sale of traded goods, to the holding company.



ALOK INTERNATIONAL (MIDDLE EAST) FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2013 TO 30 SEPTEMBER 2013

25. EARNINGS PER SHARE

Particulars	1 April 2013 to 30 September 2013		1 Aug 2011 to 31 March 2013	
	Amount (INR)	Amount (AED)	Amount (INR)	Amount (AED)
Net profit for the period	13,176,384	220,679	2,758,838	78,223
Weighted average number of equity shares	1	1	1	1
Nominal Value of equity share	N.A.	1,000,000	N.A.	1,000,000
Basic and Diluted Earning per share	13,176,384	220,679	2,758,838	78,223

26. The period end foreign currency exposure that has not been hedged by derivative instruments or otherwise are as under

Particulars	Foreign Currency (FC)	Amount (FC)	Amount (INR)	Amount (AED)
Long term borrowings	USD	60,000,000	3,771,120,522	220,380,000
	USD	(-)	(-)	(-)
Other current liabilities (current maturities of long term loans)	USD	90,000,000	5,656,680,783	330,570,000
	USD	(-)	(-)	(-)
Bank balances	USD	56,014	3,520,623	205,742
	USD	(211,234)	(6,183,293)	(417,945)
Investment in fixed deposit	USD	30,000,000	1,885,560,261	110,190,000
	USD	(-)	(-)	(-)

27. Earnings in foreign currency

Particulars	Amount (INR)	Amount (AED)
Export of goods calculated on F.O.B. basis	-	-
	(6,959,015)	(486,936)

28. Expenditure foreign currency

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

29. The information contained in the financial statements is for the period from 1 April, 2013 to 30 September, 2013 disclosed in AED, which is extracted from the books of accounts locally maintained and converted into Indian rupees as disclosed under "basis of preparation" stated above. Such disclosures in AED are only for additional information. Figures for the current period are for six months against figures for the previous period which were for twenty months period from 1 August, 2011 to 31 March 2013 and hence are strictly not comparable.

30. The amounts in balance sheet, statement of profit and loss and cash flow statement are rounded off to the nearest rupee/AED. Previous period figures have been regrouped / reclassified wherever necessary to correspond with the current period classification / disclosure.

Signatures to Notes 1 to 30

For and on behalf of the Board

Ashok B. Jiwrajka
(Director)

Dilip B. Jiwrajka
(Director)

Surendra B. Jiwrajka
(Director)

Place: Mumbai

Date: 22 November, 2013

