

ALOK INDUSTRIES LIMITED

Peninsula Business Park, Tower B, 2nd & 3rd Floor, Ganpatrao Kadam Marg, Lower Parel,
Mumbai - 400 013. Tel.: 91 22 6178 7000 Fax : 91 22 6178 7118



FORM-A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Alok Industries Limited
2.	Annual financial statements for the period ended	Standalone financial statements for the period ended March 31, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by-	
	<input type="radio"/> CEO/Managing Director	Dilip B Jiwrajka Managing Director
	<input type="radio"/> Chief Financial Officer	Sunil O. Khandelwal CFO & Executive Director
	<input type="radio"/> Auditor of the company	Refer our audit report dated May 28, 2015 on the standalone financial statements of the Company. For Deloitte Haskins & Sells LLP Chartered Accountants ICAI FRN No. 117366W/W-100018 P-B. Pardiwalla P. B. Pardiwalla Partner Membership No. 40005 Mumbai.
	<input type="radio"/> Audit Committee Chairman	Mr. Surinder Kumar Bhoan
Date: May 28, 2015		

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Mumbai - 400 013. Tel.: 91 22 6178 7000 Fax : 91 22 6178 7118



FORM B

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Alok Industries Limited
2.	Annual financial statements for the period ended	Consolidated financial statements for the period ended March 31, 2015
3.	Type of Audit observation	Qualification: The consolidated financial statements include the unaudited financial statements of six subsidiaries, whose financial statements reflect total assets (net) of Rs. 384.66 crores as at March 31, 2015, total revenue of Rs. 255.42 crores and net cash outflows amounting to Rs. 249.03 crores for the period ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 3.98 crores for the period ended March 31, 2015, as considered in the consolidated financial statements, in respect of an associate (Previous period ended September 30, 2013: profit of Rs.2.08 crores of two associates), based on their unaudited financial information. Our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and associates, is based solely on such unaudited financial statements/financial information.
4.	Frequency of observation	First time
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Note numbers 26 & 28 to the consolidated financial statements highlights the names of the subsidiaries and an associate respectively whose unaudited financial statements / information are included in the consolidated financial statements.
6.	Additional comments from the board/audit committee chair:	None


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7.

To be signed by-

○ CEO/Managing Director

Dilip B Jiwrajka


Managing Director

○ Chief Financial Officer

Sunil O. Khandelwal


CFO & Executive Director

○ Auditor of the company

Refer our audit report dated May 28,
2015 on the standalone financial
statements of the Company.
For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI FRN No. 117366W/W-100018



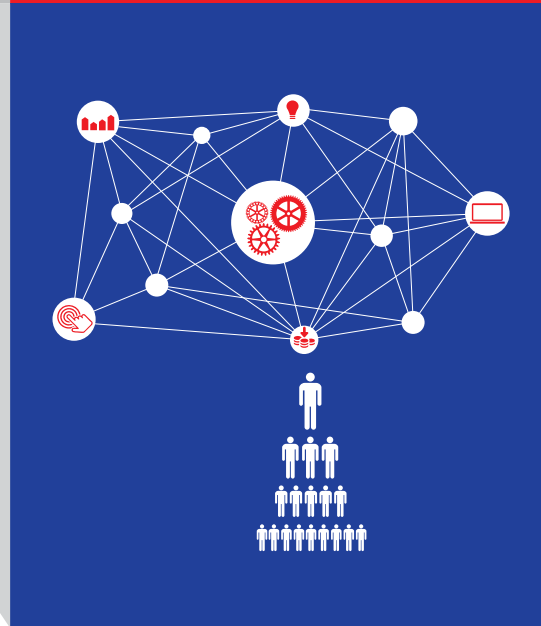
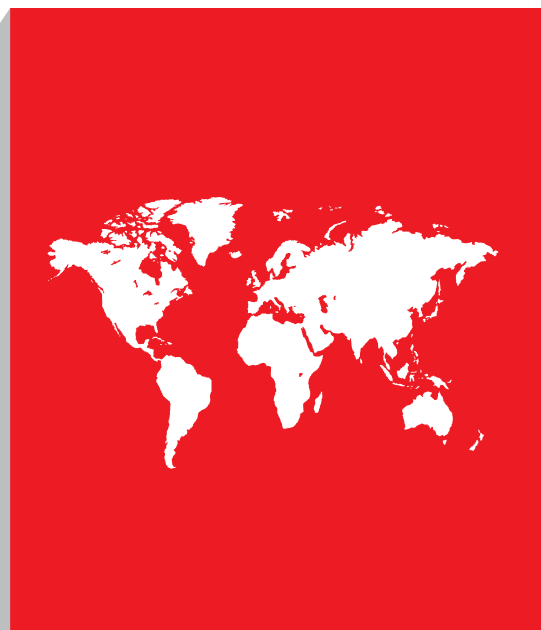
P. B. Pardiwalla
Partner
Membership No. 40005
Mumbai.

○ Audit Committee Chairman

Mr. Surinder Kumar Bhoan



Date: May 28, 2015



Primed to
unlock value

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Primed to unlock value

It is only when you have climbed up to the last 100 feet of Mount Everest, that you are primed to conquer the highest peak in the world.

Conquering the peak is a momentous event. But the long climb upwards is an often slow and gradual process. Preparation then, is 90% of achievement.

Alok has been on the climb towards global scale in its business of cotton and polyester textiles. Over the years, we have invested significant money and efforts in building our capacity and capabilities.

We are primed because, today, we are well aligned with the opportunity that is coming our way due to the global sourcing shift to Indian Textile manufacturers.

Our integrated product mix caters to a large swathe of the market. Our long established relationship and business with marquee customers across the world helps us gain valuable brand recall and ensures enhanced business. We will unlock value because of our location in India with its advantages of skills, technology, cost effective manpower and vibrant domestic market.

Our global scale enables us to cater to the large requirements of large global companies and brands. Our presence in the growing Indian market with its growing demand augurs well for our domestic business.

Our culture of continual cost optimisation, and improvement will enable us to capture higher levels of efficiencies. Our ability to dollarise our debts and realign our finances by deleveraging our balance sheet will also unlock value.

While each of these factors contribute to a mood of positivity, put together they create a groundswell of enthusiasm that will take us to the peak of success.

We are now well positioned to launch ourselves on the new growth path to realise our goal to be the world's best-integrated textile enterprise driven by research and innovation with a leadership position across products and markets, exceeding customer and stakeholder expectations.

**We are primed to
unlock value.**



Alok Industries

At A Glance

From innovative textile solutions to global scale, world class quality innovative textile solutions.



While what we do has not changed substantially, our scale of operations has changed significantly over the past few years. Commensurate with the worldwide shift to sourcing textiles and garments from India, we are well placed as India's largest fully integrated textile company with a dominant presence in the cotton and polyester value chain.

Our strategy for attaining this position was indeed simple:

- We have focussed on world class infrastructure, best-in-class technology, uncompromising quality standards and dynamic product innovation.
- Our competitive pricing, customer first approach, and our ability to handle large quantities in record timelines has earned us the position of trust in the eyes of some of the largest global retailers, as well as importers and brands.
- Our focus on value addition and our emphasis on R&D has enabled us to offer innovative textile solutions at a scale that is truly global.

Alok offers solutions across:

- Cotton Yarn
- Apparel Fabric
- Home Textiles
- Garments &
- Polyester Yarn

Alok at home and across the world:

- 4 manufacturing locations in India in Silvassa, Vapi, Navi Mumbai and Bhivandi
- Close to 20,000 employees
- Presence in over 90 countries across USA, Europe, Latin America, Asia and Africa
- 17% exports

Our Philosophy



Our Vision

To be the world's best integrated textile enterprise, driven by research & innovation, with a leadership position across products & markets, while exceeding customer & stakeholder expectations. The barometer of our success would be the ROCE.



Our Mission

We will:

- Be a knowledge leader & an innovator in our businesses
- Maximise people development initiatives
- Optimise use of all resources
- Become a process driven organisation
- Exceed compliance and global quality standards
- Actively explore potential market and products
- Offer innovative, customised and value-added services to our customers
- Be an ethical, transparent and responsible global organisation

Our Values

- Customer Satisfaction
- Passionate about Excellence
- Develop Human Capital
- Fair to All
- Concern for the Environment and the Community
- Safety and Health
- Responsible Corporate Citizen



General Information

Bankers

- Allahabad Bank
- Andhra Bank
- Axis Bank Limited
- Bank of Baroda
- Bank of India
- Bank of Maharashtra
- Canara Bank
- Central Bank of India
- Corporation Bank
- Dena Bank
- Export Import Bank of India
- Indian Bank
- IDBI Bank Limited
- Indian Overseas Bank
- ING Vysya Bank Limited
- Oriental Bank of Commerce
- Punjab National Bank
- State Bank of Bikaner & Jaipur
- State Bank of Hyderabad
- State Bank of India
- State Bank of Mysore
- State Bank of Patiala
- State Bank of Travancore
- Syndicate Bank
- The Jammu & Kashmir Bank Limited
- The Karur Vysya Bank Limited
- UCO Bank
- United Bank of India
- Union Bank of India
- Vijaya Bank

Statutory Auditors

Deloitte Haskins & Sells LLP
Chartered Accountants

Internal Auditors

Bhandarkar & Co.
Chartered Accountants

Devdhar Joglekar & Srinivasan
Chartered Accountants

N.T. Jain & Co.,
Chartered Accountants

Shah Gupta & Co.
Chartered Accountants

T.R. Chadha & Co.
Chartered Accountants

Legal Advisors & Solicitors

Desai Desai Carimjee & Mulla

Executive Director & Chief Financial Officer

Sunil O. Khandelwal

Executive Director & Company Secretary

K. H. Gopal

Demat ISIN Number in NSDL & CDSL

Equity Shares - INE 270A01011

Website Address

www.alokind.com

E-mail Address

info@alokind.com

Registered Office

17/5/1 & 521/1 Rakholi/Saily,
Silvassa-396 230, Union Territory of
Dadra and Nagar Haveli

Corporate Office

Tower B, 2nd and 3rd Floor,
Peninsula Business Park,
G. K. Marg, Lower Parel,
Mumbai - 400 013

Marketing Offices

DOMESTIC

Delhi

Unit No. 224-227, 2nd Floor,
DLF Tower, 15, Shivaji Marg,
New Delhi - 110 015

Bengaluru

8-3/1, Pentafoord Tower,
Langford Town, Shanti Nagar,
Langford Road, Bengaluru - 560 025

OVERSEAS

Sri Lanka

26, Hallmark Building, Vajira Road,
Colombo - 04, Sri Lanka

Bangladesh

Asset Rosedale,
Unit B1 (1st Floor), House # 2 Road,
55, Gulshan Avenue, Gulshan - 2,
Dhaka - 1212, Bangladesh

China

Room No. 701,
Youngong Communication Plaza,
East Wing Building, Zhejiang, China



Dubai

6 WA, 232, 2nd Floor,
P. O. Box 54917,
Dubai Airport Free Zone

USA

- 1) 105 Madison Avenue,
4th Floor, New York,
NY - 10016
- 2) 123 Oaklawn Avenue,
Dallas, TX 75207

Czech Republic

Husova 734, 508 01 Horice
Czech Republic

British Virgin Islands

Pasea Estate,
Road Town, Tortola
British Virgin Islands

Store Twenty One

Unit 1, Plot C1
Central Boulevard, Blythe Valley
Business Park Solihull - B90 8AH

Listing & Code

BSE Limited (521070)
National Stock Exchange of India
Limited (ALOKTEXT EQ)

Registrar & Share Transfer Agent

Link Intime India Private Limited
C-13 Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai - 400 078

WORKS

Spinning

412 (15) Saily, Silvassa,
Union Territory of Dadra & Nagar Haveli

Weaving

- a) 17/5/1 & 521/1, Rakholi / Saily,
Silvassa, Union Territory of Dadra &
Nagar Haveli
- b) 209/1 & 209/4, Dadra,
Union Territory of Dadra and
Nagar Haveli
- c) Babla Compound, Kalyan Road,
Bhiwandi - Dist. Thane

Processing

- a) 254, 261, 268, Balitha,
Taluka Pardi, Dist. Valsad, Gujarat
- b) C-16/2, Village Pawane,
TTC Industrial Area, MIDC,
Navi Mumbai, Dist. Thane

Knitting

412 (15) Saily, Silvassa
Union Territory of Dadra & Nagar Haveli

Hemming

103/2, Rakholi, Silvassa,
Union Territory of Dadra & Nagar Haveli

Embroidery

- a) A/317, TTC Industrial Area, MIDC,
Mahape, Navi Mumbai.
- b) 248 & 248, Vasona, Silvassa
Khanvel Road, Silvassa, Union
Territory of Dadra & Nagar Haveli.

Polyester Yarn

(POY & Texturised Yarn)

17/5/1, 521/1, Rakholi / Saily and
409/1 Saily Silvassa, Union Territory of
Dadra & Nagar Haveli

Garments

- a) 374/2/2, Saily,
Silvassa Khanvel Road,
Union Territory of Dadra &
Nagar Haveli.
- b) 17/5/1, Rakholi, Silvassa,
Union Territory of Dadra &
Nagar Haveli
- c) 273/1/1, Hingraj Industrial Estate,
Atiawad, Daman, Union Territory
- d) 50/P2, 52/P1, Morai, Taluka Pardi,
Dist. Valsad, Gujarat

Home Textiles

Bed Linen

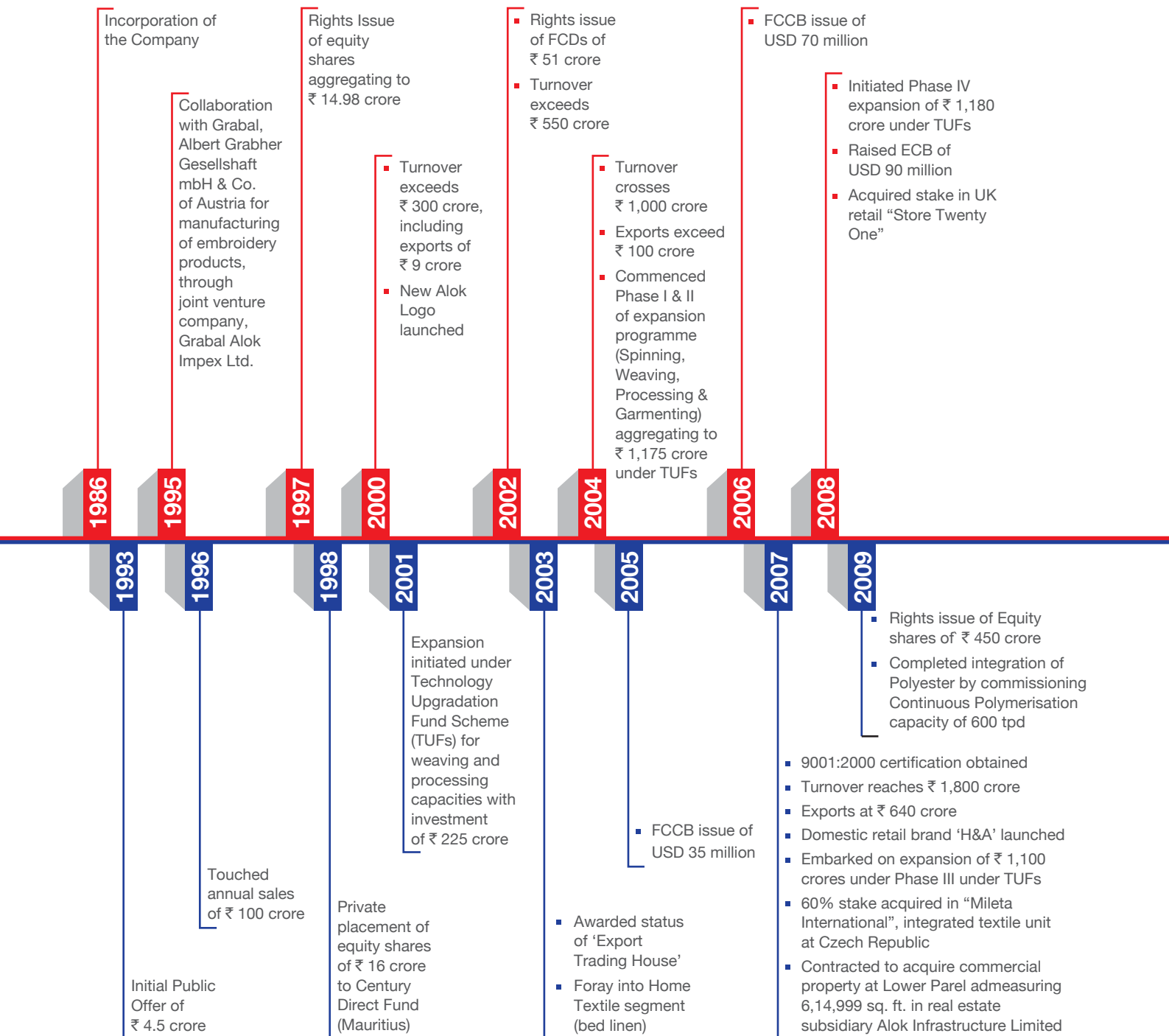
- a) 374/2/2, Saily,
Silvassa, Union Territory of
Dadra & Nagar Haveli
- b) 149/150, Morai Taluka,
Pardi, Dist. Valsad,
Gujarat

Terry Towel

263/P1/P1 and 251/2/P1 Balitha,
Taluka Pardi, Dist. Valsad
Gujarat



Our Journey So Far





- Turnover touches ₹ 4,300 crore, Exports crosses ₹ 1,500 crore
- Qualified Institutional Placement of Equity shares of ₹ 425 crore
- Added Terry Towels to its product range

2010

- Turnover crosses ₹ 8,900 crore Exports reach ₹ 3,030 crore
- Completion of Expansion of polyester production from 900 tonnes/day to 1400 tonnes/day
- Amalgamation of Grabal Alok Impex Limited (GAIL) into the Company completed on 1st March, 2012 with effect from 1st April, 2011
- Gold Trophy for Global Exports of Bleached / Dyed / Yarn Dyed / Printed Fabrics in Fabrics Category
- Gold Trophy for Exports of Bed Linen / Bed Sheets / Quilts in Made-ups Category
- Silver Trophy for Highest Global Exports Category
- Silver Trophy for second best export performance for the year 2010-11 in the category of Polyester Yarn

2012

- Won a number of Export Awards for 2013-14:
- Gold Trophy for the Highest Exports of Bed Linen/Bed Sheets/Quilts in Madeups
- Gold Trophy for the Highest Exports of Other Fabrics including Embroidered Fabrics, Laces
- Gold Trophy for the Highest Exports of Terry Towels in Madeups
- Silver Trophy for the Second Highest Exports of Bleached/Dyed/Yarn Dyed/ Printed Fabrics
- Silver Trophy for the Second Highest Global Exports (Overall)
- Award for Fourth Best Overall Export Performance in the category of SRTEPC special award (Trophy)

2014

The Lead Bank, State Bank of India has assessed Long Term Export Advance requirement of USD 1.63 billion (₹ 9,800 crore) for the Company. Till date, the Company has received sanctions of EPBG of about USD 1.5 billion and has received export advances amounting to USD 475 million, which has been utilised to repay the rupee term loans. The Company expects to complete the entire EPBG process by August 2015.

2015



2011

- 25 years of corporate journey completed
- Turnover crosses ₹ 6,300 crore, Exports reach ₹ 2,200 crore
- Awarded the IMC – Ramakrishna Bajaj National Quality (RBNQ) Performance Excellence Trophy in the Manufacturing Category
- Expansion of Polyester production from 600 tonnes/day to 900 tonnes/day commenced
- Awarded status of 'Recognised Star Trading House'

2013

- Won the maximum number of Export Awards for the year 2012-13 in the following categories:
 - o Gold Trophy for the Highest Exports of Bleached/Dyed/Yarn Dyed/Printed Fabrics in the Category III
 - o Gold Trophy for the Highest Exports of Bed Linen/Bed Sheets/Quilts in Made-ups under the Category III
 - o Silver Trophy for the Second Highest Global Exports (Overall)
 - o Gold Trophy (Small) for the Highest Exports of Other Fabrics including Embroidered Fabrics, Laces in the Category II
 - o Silver Trophy (Small) for the Second Highest Exports of Terry Towels in Made-ups under the Category II
 - o Gold Plaque for the Highest Exports of Other Cotton Made-ups in the Category I
- Certificate of Appreciation received from Govt. of Dadra & Nagar Haveli, Silvassa for Outstanding Corporate Social Responsibility work in the field of development of Infrastructure and Improvement in the living conditions of the people of Silvassa
- Export crosses ₹ 5,000 crore
- Rights Issue of ₹ 551 crore
- Amalgamation of domestic subsidiaries of Retail and Realty into Single entity viz. Alok Relators Private Limited, Alok Land Holdings Private Limited, Alok H&A Limited, Alok Retail (India) Limited and Alok Apparels Private Limited (transferor Companies) into Alok Infrastructure Ltd., wholly owned subsidiary of the Company with appointed date of 1st April, 2012 and effective from 15th November, 2013



Chairman's Message



“To begin with, the business operations are now completely focussed on sweating assets and maximising returns on capital employed (ROCE). In fact, a rigorous internal programme is currently being executed that focusses on improving ROCE across different product groups and layers of the Company's organisation”

Dear Shareholders,

Setting ambitious goals, taking on difficult challenges and surpassing milestones is at the heart of Alok Industries' business philosophy. It is this organisational character that has transformed a small company that got listed in 1993 with a meagre ₹ 4.5 crore IPO, into one of India's largest textile players, with a total balance sheet size of around ₹ 30,000 crore and annual turnover exceeding ₹ 13,000 crore on a consolidated basis by March 2015 – a phenomenal journey of growth over just two decades.

Having attained a leadership position in India, we have set ourselves a long-term vision of being recognised as a leading integrated textile player in the global arena. Today, we have put together the various foundation structures for attaining this vision.

First, we have created an integrated manufacturing facility of global scale that can truly reap the benefits of its size and scope to compete in a world market. Second, we have created delivery capabilities across all elements of the value chain for both polyester and cotton. Third, we have created a wide product portfolio with investments into special products like technical textiles. Fourth, and most importantly

we have cemented strong relationships with customers across the world many of whom are marquee brands. The ability to do this bears testament to our delivery capabilities and product quality.

Creating this infrastructure and organisational capabilities has warranted large scale investments. Not only have we focussed on global scale but also on product diversity. In addition, to further diversify and leverage opportunities, we invested into retail in India and UK, high end yarn dyed shirting manufacturing in the Czech Republic and also into real estate.

As a consequence of this massive expansion, Alok today, has a large debt exposure and significantly leveraged balance sheet.

As we were on the last leg of completing this expansion programme and starting to reap returns, there were severe headwinds from the external business environment.

As you are aware, the last few years have been very challenging for manufacturing companies in India, which even led to negative growth in the sector during FY 2014. In terms of global markets, demand was affected with USA taking its time to recover from the financial debacle of FY 2008, EU countries plagued with stagnation and looming debt crises and China also facing an economic slowdown post the accelerated infrastructure development phase prior to the Olympics. India's accelerated growth

trajectory also virtually came to a halt in an environment of government decision making that was slow and dwindling private sector investor confidence. In addition, the Reserve Bank of India (RBI), in its efforts to control rising inflation, adopted a restrictive monetary policy, which resulted in high rates of interest. In this economic backdrop, the rupee devalued considerably against global currencies making foreign loans also expensive. Thus, as a Company, we were faced with increasing input costs, pressure in terms of a demand slowdown and increasing costs of finance. The matter was further aggravated by the fact that the textile industry reeling under similar pressures throughout was also facing a liquidity crunch and we had to operate with shorter payable cycles and longer receivable cycles, putting further pressure on working capital.

Today, we stand at a critical juncture in our business journey. This would be a challenging period – the hiatus between undertaking large investments and generating adequate returns from the investments is often a period characterised by difficulties in ramping up, maintaining quality deliveries on time, dealing with cash flow constraints and constantly learning from mistakes that are inherent to the initial phase of leveraging large assets. The difficult conditions have been aggravated by the global demand slowdown, liquidity constraints across the industry and the burgeoning costs of debt in India.

Consequently, Alok Industries has had to go back to the drawing board and realign its business plans to overcome

some of the current obstacles and regain the growth trajectory prescribed in our long-term goals.

To begin with, the business operations are now completely focussed on sweating assets and maximising returns on capital employed (ROCE). In fact, a rigorous internal programme is currently being executed that focusses on improving ROCE across different product groups and layers of the Company's organisation.

There have been concerted efforts at reducing costs, both operational and corporate. These efforts are now a continuous process and often involve small steps that add up to meaningful savings. Already, if we look at people costs and other operational costs, one will see reduction not only proportionate to sales but on aggregate value terms as well. On this count, it is important to mention, the successful initiatives undertaken to save energy costs.

- Conversion of all its gas-based boilers which are used for generating steam at Vapi processing unit to coal-based.
- Installation of 220 KVA sub-station to connect directly to the national grid at Silvassa. The power cost at Silvassa is about ₹ 4 per unit. So about 40% of our power which was generated through gas-based power plants has now been replaced with lower cost grid power.

The other major focus has been on increasing generation of free cash flows. As a result, there have been restrictions put on new fixed asset investments. In fact, annual investments into fixed assets have been capped at a given level, which will only allow replacement investments and some capital expenditure to overcome obsolescence and production bottlenecks. This will be augmented with a much tighter management of working capital. To further bolster these efforts, focus is now on growing exports that have lower cash cycles and significantly reduce working capital intensive fabric outsourcing business.

In these challenging times, the banks and financial institutions have been largely supportive. In an important development, we have secured sanctions for US\$ 1.5 billion under the Export Performance Bank Guarantee (EPBG) based export advance scheme, to be redeemed through exports over a period of 10 years. These loans are securitised against future exports of the Company. We have already received export advances aggregating to US\$ 475 million under this scheme. Essentially, it provides cushion and some breathing space for the Company to realign its businesses and start paying back debt. It also reduces the cost of debt. We have also received additional corporate level loans and are working on securing working capital.

There are also efforts with a specific time-based plan to monetise non-core assets and deleverage the balance sheet. This plan is expected to raise money of close to ₹ 2,000 crore, of

which contracts for around ₹ 100 crore have already been signed off for real estate sales.

These are all developments in the right direction of our corrective action plan. We are confident of tiding over the present difficulties and emerging an even stronger company that will fulfil the long-term goals. Even under these difficult circumstances, we have continued to deliver quality products and grow our markets and customer base.

There are some positives in the financial performance as well:

- Consolidated Net Sales increased by 12.93% to ₹ 24,153.06 crore for the 18-month period ended 31st March, 2015
- Consolidated Operating EBITDA was maintained at ₹ 5,636.55 crore for the current year, a mere 0.15% lower than the previous year
- Amongst the non-core businesses: the India retail operations under H&A was successfully wound up; the overseas subsidiary Mileta delivered profit of ₹ 18.97 crore for the 18 months ended 31st March, 2015

So we are on the right track and the external environment is looking to improve as well. There are signals of a recovery in the world's largest economy – USA. While the emerging economies are expected to slow down, it is important to note that much of the

slowdown is in oil-based economies. These economies have been affected by the sharp fall in oil prices from levels above US\$100 a barrel to around US\$ 60 a barrel in the beginning of FY 2015. While there is an upward trend today, but the levels are nowhere close to the over US\$ 100 a barrel price. While this affects oil producing countries, for oil consuming countries like India, this means lowering of inflation and improved real spending power. This augurs well for demand of textiles products. Also, some of our inputs, especially on the polyester side are derivatives of the petroleum industry. Their costs should come down and help improve our margins.

Back home in India, while expectations were very high from the newly elected BJP government that came to power with a clear mandate in May 2014, the changes on ground have taken time to crystallise. However, it must be noted that the economy is moving up, although the pace of revival may not be satisfying to many. The Central Statistical Organisation has made changes to the way some of the macro-economic parameters are measured, which has made them non-conducive to long-term comparisons. As per these estimates, real Gross Value Added (GVA), a variable that has replaced the traditional GDP measure, actually touched a low of 4.9% in FY 2013, increased to 6.6% in FY 2014, and reached healthy growth levels of 7.5% in FY 2015. Inflation has also reduced to around 5% (CPI measure) levels by March 2015, and in a benign inflationary environment, the Reserve Bank of India (RBI) has reduced the Repo rate twice and given



some indications by of moving to a less rigid monetary environment with lower interest rates.

The global apparel market is growing at a CAGR of 5% and is expected to reach US\$ 2,110 million by FY 2025. The Indian textiles and apparel market is regaining its growth trajectory and is expected to cross US\$ 200 billion by FY 2018. China, the leader in global textiles and apparel trade is witnessing an erosion of its cost competitiveness due to increasing labour and power costs, its upward currency valuation, and need to service local demand. This is opening out space for other countries like India to provide a value proposition for global sourcing and increase its share of business. Alok is taking all steps to leverage this opportunity. We are in fact a living and breathing personification of the Make In India campaign launched by our Honourable Prime Minister.

We have spent the past 28 years in building up momentum, creating a worldwide market for our products, investing in technology and expanding our manufacturing facilities. Today, we have one of the largest capacities in every aspect of the cotton and polyester value chains in the country.



We are primed to unlock value in a focussed and determined manner over the next few years.

In this endeavour, our entire team of around 20,000 dedicated employees are behind us. They are committed, determined and work with passion to achieve our vision of being the world's best integrated textile enterprise, driven by research and innovation, with a leadership position across products and markets, while exceeding customer and stakeholder expectations.

It is this dream that we are primed to unlock.

The value of this accomplishment will be truly large.

I have personally experienced the glories and hardships that accompanied every moment of this truly glorious journey and gave my best efforts to provide appropriate stewardship to the Company as its Chairman for the past 28 years. Today, I am excited about the road ahead

but I also believe that to succeed we need a different level of governance structure. To pave way for creating a broader representation in the Board of Directors, I have relinquished my position as Chairman of the Company. I continue to actively serve the Company as an Executive Director on the Board.

I take this opportunity to thank our Board members, whose guidance has always helped us to choose the right path in our journey. I would also like to thank our lenders and our shareholders who put faith in our dreams and generously continue to provide us the capital to fund it. My thanks go out to our employees, our customers, our vendors and our well-wishers, for their continued support.

I urge you all to continue to repose faith in our business model, and partner with us in the next phase of our growth.

Yours Sincerely

Ashok B. Jiwrajka
Chairman

Well primed is half won – peaking in time for the big opportunity

It takes four years of preparation to compete in the Olympics. Every athlete that seeks to win the gold trains himself and hones his talent, ability and game in a manner that he will peak in terms of performance on his appointed day. Then, the magic happens.



At Alok, we have been working for years, honing our performance, scaling up our manufacturing in anticipation for the time when the world shifts its focus on India with its inherent advantages in the textile trade.

We have built up our capabilities and capacities, we have invested in the world's best technology and have trained to reach peak performance at the right time.



The time and the opportunity is at hand.

With increasing wages, power issues, rising Yuan, huge domestic consumption, major importers from across the world are increasingly seeking to de-risk their China exposure with imports from countries like India.

Alok is well placed with global capacities, ability to offer short turnaround times for large volumes, cost and operational efficiencies, competitive pricing and customer first approach. Our global scale integrated presence across the value chains of cotton and polyester makes us an ideal partner for several international importers, retailers, and brands.

With an organisation that is performing at its peak, infrastructure that is world class, we are peaking in terms of performance.



By peaking in time for the big opportunity, we are primed to unlock value.

Well primed is relationship focussed – **being the partner that customers seek**

In today's involved world, price is but one of the aspects of the transaction. While what we offer and at what price we do so retains a place of importance, the world has gravitated towards several other concerns that go into the decision matrix of 'whom to buy from'.



Alok has consistently adopted business practices that strive to promote excellence with a sense of deep responsibility for sustainability. This is visible in our efforts that go beyond price and the transaction. We are not only concerned about what we manufacture, but also about how we do so. On the scales of quality, environmental impact, organic aspects, health and safety parameters, and community concerns, we seek to be the ideal Corporate Citizen and the partner of choice for international brands.

Alok is a Fair Trade (FLO) certified company and value the fair price concept across the value chain. The Company has been playing a key role in a very ambitious Organic & Fair Trade cotton project in West Africa.





Alok is one of the very few textile company in India to have obtained accreditation from Integrated Management System – that incorporates ISO 9001:2000 for Quality Management System, ISO 14000: 2004 for Environmental Management System, OHSAS 18001: 2007 for Occupational Health and Safety, and SA 8000: 2008 for Social Accountability.

Alok is also amongst the few Indian Textile Companies to have been awarded all the three certificates for its eco-friendly products – which include the EU Flower – eco-certificate from the European Union, KRAV certification for organic products, and the SWAN certification, which is a Nordic eco-labelling certification.

Additionally, the Company has also applied for Global Re-cycled Standard (GRS) certification for the entire supply chain from spinning to finished product. The testing laboratory at Pawane has been accredited by the National Accreditation Board for Testing and Calibration Laboratories for ISO 17025:2005 Quality Management System.

Corporate Social Responsibility (CSR) initiatives are integral to operations at the plants. Alok has started a public school with CBSE Board in Silvassa. It employs tribal women in weaving looms and garment/made up stitching machines after intensive training and orientation.

Each of these certifications and practices weigh in our favour when customers consider their preferred partner for importing textiles.

By being the supplier of choice, in terms of sustainability, we are well primed to unlock value.

Well primed is a people trait – grooming people as innovators and value creators

If everything else is stripped off, the future of a business entity depends on those working there. Capital assets, technological patents and financial capital are empty vehicles without human capital working in harmony to achieve common objectives.

The simple fact of the matter is that if you desire to be in the best textile company in the world, it is incumbent on you to have the best people in the world in your team.

At Alok, we are deeply appreciative of the fact that we are a people driven organisation. People and their innovation and value creation has overseen the transformation of our enterprise from a fledgling textile company into one that is the country's biggest and one of the best in the world.





As a Company, we are employee advocates and seek to foster the growth, development and capabilities of our people, so that they can assume greater responsibility and contribute increasingly more to the Company's growth while benefiting from it. We encourage learning and provide ample opportunities for our people to learn new skills and apply them in an atmosphere that values trial and accepts failures as a signpost to becoming better.

We are an organisation that has consistently upgraded manufacturing technologies, work methodologies and management outlook to adapt to global best practices. In this constant change and churn, our people have been our change champions adapting, changing and becoming better with time.

We are also champions of innovation and seek to do new things, in a new and more effective manner. We are one of the few organised sector companies in India to have a focus on producing technical textiles, and our efforts in this direction is research and innovation driven.

Our mantra is to employ the best, offer them the best in terms of facilities and opportunities and expect the best from them.

When nearly 20,000 people that we currently employ emerge as the world's best, we can safely say, we are primed to deliver value.



Primed to Add Value and Innovate

In a commoditised market, continuing relevance is a matter of how innovative the company is and what value it adds to its products, in simple terms, innovation and value addition sustains longevity.





While doing something differently brings about enhanced efficiency, doing different things brings visibility, brand recall, access to new markets, and often enhanced margins and customer stickiness.

In our continued quest for long-term relevancy in the market that is increasingly commoditised, we turned to innovation. We set up a state-of-the-art R&D centre that was focussed on innovation, both at the product and the process level.

One of the 'different' things that we do is to offer technical fabrics that are meant to meet the specific requirements of different aspects of the market. These include fabrics with a stain guard finish for the hospitality industry, fabrics that are anti-bacterial for the health care industry and fabrics with an Infrared ray resistant finish for the defense industry.

These are niche markets that demand exacting quality and performance from our products. These innovative fabrics have made Alok a company with a difference, for the simple fact that we are amongst the few with such specialised capabilities. Technical fabrics has an estimated market of US\$ 12 billion (₹ 66,730 crore) and is growing at a rate of 10% CAGR, and it is expected to clock turnovers of approximately US\$ 27 billion by 2020 (₹ 1,45,000 crore)

Our innovation does not end with specialised fabrics but we also offer value-added products like Dyed Yarn (structured) fabrics, institutional work wear, printed apparel, specialised work wear etc.

With the human capital, technical expertise, R&D backing and manufacturing capabilities, we are primed to unlock value through innovation.



Primed to Deliver Sustainability

Sustainability is the promise of continued operational relevance of the organisation in markets, environment, and within the communities and the societies that it operates in.



While our capacities and capabilities were not built in a day, it is equally true that they were not built for a day. We are interested to continue our operations in the foreseeable future and grow, increase our relevance and continue to serve our markets, our people, our communities and our nation.

This long-term view of our operations drives our efforts at sustainability, in both our financial as well as environment and CSR fronts.

At the financial level, we are pursuing innovative means to sustain our operations by dollarising debt and reducing our interest outgo. During the year, we have received a sanction under the EPBG (Export Performance Bank Guarantee) to the tune of USD 1.5 billion, and have received export advances to the extent of USD 475 million.

These advances received is being used for repayment of funded facility of respective banks and have the potential of saving USD 100 million in the initial year.



We are also seeking to unlock value by divesting stakes in non core business and we seek to monetise these investments to deleverage our balance sheet.

We also have continuing initiatives in place to leverage our R&D capabilities to reduce our energy costs, and focus on high margin innovative products. To ensure long-term sustainability of our operations, we strive to be an organisation that minimises its impact on the environment. We have installed Reverse Osmosis Plants and a modern Effluent Treatment Plant at our facilities that have been certified as eco-friendly by the authorities. We use our 220 KV substation to draw power from the grid and are certified ISO 14000:2004 for our environment management.

We promote organic cotton and are practitioners of Fair Cotton Trade, thereby ensuring that our growers get maximum remuneration for their produce.

Our CSR initiatives also contribute towards the betterment of the communities that we operate within.

While each of these help us in increasing our relevance and minimising our impact on the environment and communities, together they enable us to be primed to deliver sustainability.

Board of Directors



1

Mr. Ashok B. Jiwrajka (64) is the Executive Director of the Company. Mr. Jiwrajka completed his schooling and college from Mumbai. After a brief stint with two then leading textile companies, he joined the family partnership firm and went on to co-promote Alok Industries Limited in 1986 with his two brothers. Mr. Jiwrajka has a rich experience of over three decades in textiles. His functions as the Executive Chairman include participating in strategising the Company's growth trajectory besides overseeing the cotton yarn and home textile segment. He is also a member of the core management committee.



2

Mr. Dilip B. Jiwrajka (58) is the Managing Director of the Company. Mr. Jiwrajka did his schooling and college from Mumbai and subsequently his post-graduation in Business Entrepreneurship and Management. In the early 80s, he started the business of trading in textiles mainly for the readymade garment sector. Starting with a partnership firm, he gradually co-promoted Alok Industries Limited in 1986 along with his two brothers. His functions as the Managing Director include envisioning the Company's growth strategy, responsibility for the apparel fabric and garment segments. He also oversees the Finance and Administration functions of the Company, besides managing the operations of the overseas subsidiaries. He is also a member of the core management committee.



3

Mr. Surendra B. Jiwrajka (56) is the Joint Managing Director of the Company. Mr. Jiwrajka's schooling and college were completed in Mumbai. Immediately after his graduation, he joined the family partnership firm for trading in yarn and thereafter co-founded Alok Industries Limited in 1986 with his two brothers. Mr. Jiwrajka brings with him an invaluable experience of over 25 years in textiles. As the Joint Managing Director, he plays a critical role in charting the Company's growth strategy, oversees the manufacturing and marketing functions of the polyester segment besides finance and capital expenditure. He is also a member of the core management committee.



4

Mr. Ashok G. Rajani (65) is an Independent Director of the Company since 27th May, 1993. He is a graduate in commerce and the Founder Chairman of the Midas Touch Group and Midas Touch Apparel Private Limited, one of the leading garment export companies in the country. He has valuable experience in the field of garment manufacturing and exports. He is associated with various garment and textile organisation. He was the Chairman of the Export Promotion Committee of the Apparel Export Promotion Council and is a member on its Executive Committee. He was the President of the Clothing Manufacturing Association of India and was on the Board of Governors of The National Institute of Fashion Technology.



5

Mr. Timothy Ingram (67) is an Independent Director of the Company since 29th July, 2005. He has done his Masters in Arts and Economics from Cambridge University, an MBA from INSEAD Business School and is a Fellow of Chartered Institute of Bankers. He spent most of his career in banking (Grindlays Bank, ANZ, Abbey National) and then in 2002 became CEO of Caledonia Investments plc, a UK listed Investment Company. He retired from Caledonia Investments in 2010 and is now Chairman of Green Coat UK wind plc from January 2013.



6

Mrs. Thankom T. Mathew (62) is a Nominee Director of the Company since October 2009, nominated by Life Insurance Corporation of India. She is M.Sc (Chemistry) and joined LIC of India as Assistant Administrative Officer (AAO). She retired as an Executive Director from UC of India. She has over 30 years of experience and specialises in the fields of marketing, finance, underwriting, administration and audit.





7

Mrs. Lalita Sharma (58) is a Nominee Director since 29th June, 2013 nominated by IDBI Bank Limited. She is a BA (Eco. Hons) and DBA. She is presently designated as Chief General Manager, Retail Banking (Priority Sector), Mumbai. She has rich exposure across multi functions and industries working in various departments of IDBI Bank Limited. Her career with the Bank spans over three and a half decades.



8

Mr. Sudhir Garg (62) is a nominee director of IFCI Ltd. from 13th February, 2014. He is a Postgraduate in Commerce from Delhi University, and holds CAIIB and Industrial Finance Certificate (IFC) from Indian Institute of Bankers.

He has around 37 years experience in the banking sector. He retired as the Chief General Manager of the State Bank of Hyderabad. He is presently working as an Executive Director of IFCI Ltd.



9

Mr. Surinder Kumar Bhoan (66) is an Independent Director of the Company since 30th March, 2015. He has done B. Tech from TITS, Bhiwani, Haryana. He has over 40 years of experience in Project Finance, Credit Appraisal, Debt Restructuring and Corporate Finance, out of which 19 years as General Manager with IFCI Ltd. He served as Independent Director in several companies. Till recently, he served as Managing Director of Nakoda Green Power.



10

Mr. Sunil O. Khandelwal (50) is an Executive Director and Chief Financial Officer of the Company. He is a qualified Chartered Accountant and has done Senior Management Programme from IIM-Kolkata. Mr. Khandelwal has started his career with Alok and has been associated with the Company since last 24 years. His responsibility in Alok includes Corporate Finance, Operations Review, Account & Tax, Internal Control, Investments and Strategic Planning. He is also a member of the core management committee.

11

Mr. K.H. Gopal (48) is an Executive Director & Secretary of the Company. Mr. Gopal did his schooling and college from Mumbai. He then obtained his Associate membership with the Institute of Company Secretaries of India and degree in Law from the Mumbai University. Mr. Gopal started his career with a paper company in 1987. Thereafter, he moved on to a company trading in information technology and medical equipment in 1992 before joining Alok Industries Limited in mid-1994. His responsibilities at Alok include overseeing the legal & secretarial, forex management, information technology, HR, risk management and administration functions apart from marketing real estate assets. He is also a member of the core management committee.



Key Management Personnel



Mr. Alok A. Jiwrajka

Chief Operating Officer



Mr. Niraj D. Jiwrajka

Joint Chief Operating Officer



Mr. Varun S. Jiwrajka

Joint Chief Operating Officer



Mr. Tulsi Karnani

Chief Executive Officer - Weaving



Mr. Michaeli M. Mesmer

Senior Vice President - Marketing



Mr. Sanjay Bhatt

Chief Executive Officer - Embroidery



Mrs. Mala Mukherjee

Head - Hemming



Mr. Sapan Mukherjee
Chief Executive Officer - Spinning



Mr. Reshabh Raizada
Chief Executive Officer - Polyester



Mr. Senthil Kumar
Chief Executive Officer - Processing



Mr. Arvind Maurya
Chief Executive Officer - Knits



Mr. Sanjay Deora
Chief Executive Officer - Terry Towels



Mr. Romi Agarwal
Chief Executive Officer - Garments



Financial Highlights

Particulars	31-MAR-2015 (18 Months) (Audited)	30-SEP-2013 (18 Months) (Audited)	31-MAR-2012 (12 Months) (Audited)	31-Mar-2011 (12 Months) (Audited)
Operating Profits				
Net Sales	22,130.72	19,917.75	8,900.86	6,388.43
Operating Profit	5,270.41	5,766.86	2,624.76	1,879.70
Depreciation	1,461.21	1,360.77	713.43	518.79
PBIT	3,809.20	4,406.09	1,911.32	1,360.91
Interest	3,251.16	2,542.45	1,149.55	736.27
PBT (operating)	558.04	1,863.64	761.77	624.64
PAT	348.76	920.16	380.53	404.36
Cash Profit	2,103.52	2,896.89	1,334.19	1,083.98
Dividend	-	48.34	28.81	22.97
Net Cash Accruals	2,103.52	2,848.55	1,305.38	1,061.01
Financial Position				
Gross Fixed Assets	13,563.18	13,469.91	11,840.69	9,920.88
Net Fixed Assets	8,376.75	9,738.56	9,466.25	8,333.76
Current Assets*	20,627.54	15,634.80	8,604.32	5,793.77
Investments	348.15	129.15	166.79	139.93
Total Assets	29,352.44	25,502.51	18,237.36	14,267.46
Equity Share Capital	1,377.33	1,377.13	826.28	787.79
Reserves & Surplus	4,038.49	3,710.99	2,828.23	2,309.81
Tangible Net Worth	5,415.82	5,088.11	3,654.51	3,097.60
Share Application Money/Warrants	-	-	-	-
Quasi Net Worth - 1	5,415.82	5,088.11	3,654.51	3,097.60
Deferred Tax Liability - 2	868.26	664.14	626.77	507.66
Total Long-Term Borrowings				
Preference Share Capital	-	-	-	-
Secured Loans	7,189.27	9,010.35	6,926.44	5,956.06
Unsecured Loans - FCCB	-	-	-	-
Unsecured Loans	34.23	75.12	86.62	95.34
	7,223.50	9,085.47	7,013.06	6,051.40
Total Short-Term Borrowings				
Secured Loans	2,303.65	2,522.66	2,233.10	1,851.37
Unsecured Loans	148.61	22.41	469.39	881.83
Working Capital Borrowings	5,670.91	4,399.65	2,956.67	1,034.60
	8,123.17	6,944.72	5,759.16	3,767.80
Total Borrowings - 3	15,346.67	16,030.19	12,772.22	9,819.20
Non-Current Liabilities - 4	2,764.35	177.47	-	-
Current Liabilities & Provisions - 5	4,957.34	3,542.60	1,183.87	843.00
Total Liabilities - 1 to 5	29,352.44	25,502.51	18,237.36	14,267.46
EPS	2.53	9.43	4.69	5.13
CEPS	15.27	20.68	15.80	13.47
Book Value	39.32	36.95	44.23	39.32

* Includes long-term loans and advances



31-MAR-2010 (12 Months) (Audited)	31-MAR-2009 (12 Months) (Audited)	31-MAR-2008 (12 Months) (Audited)	31-MAR-2007 (12 Months) (Audited)	31-MAR-2006 (12 Months) (Audited)	31-MAR-2005 (12 Months) (Audited)
4,311.17	2,976.93	2,170.41	1,824.68	1,420.70	1,224.50
1,272.48	822.61	547.75	410.96	301.26	244.53
362.61	233.50	161.96	123.04	80.48	57.56
909.87	589.11	385.79	287.92	220.78	186.97
535.08	304.12	131.83	89.04	66.78	63.68
374.80	284.99	253.96	198.88	154.00	123.29
247.34	188.37	167.73	135.18	109.21	89.25
711.89	513.98	393.14	302.50	189.69	146.81
22.97	17.28	26.28	28.75	30.20	27.92
688.93	496.70	366.86	273.75	159.49	118.89
8,215.61	6,692.71	4,368.05	2,954.20	2,121.89	1,047.57
7,145.11	5,983.86	3,891.30	2,583.80	1,874.24	879.27
4,801.88	2,685.93	3,377.53	1,992.66	1,403.87	1,359.21
229.69	478.58	618.96	219.49	39.70	7.85
12,176.85	9,159.58	7,887.79	4,795.95	3,317.81	2,246.33
787.79	196.97	187.17	170.37	157.47	134.02
1,928.57	1,421.59	1,134.01	854.07	650.06	460.73
2,716.19	1,607.36	1,321.18	1,024.44	807.53	594.75
-	147.70	110.16	-	-	3.32
2,716.19	1,755.06	1,431.34	1,024.44	807.53	598.07
406.98	307.97	210.48	141.82	100.10	75.10
-	-	-	-	68.00	84.33
6,056.69	4,948.43	3,706.66	2,049.13	1,392.13	823.89
107.21	121.01	94.87	202.87	220.63	-
272.81	51.09	103.28	6.48	61.32	17.63
6,436.71	5,120.53	3,904.81	2,258.48	1,742.08	925.85
1,186.19	608.64	550.00	215.00	85.00	102.08
43.00	168.02	745.01	294.36	62.34	61.77
843.78	699.16	567.49	568.92	323.08	313.54
2,072.97	1,475.82	1,862.50	1,078.28	470.42	477.39
8,509.68	6,596.35	5,767.31	3,336.76	2,212.50	1,403.24
-	-	-	-	-	-
544.00	500.19	478.66	292.93	197.68	169.92
12,176.85	9,159.58	7,887.79	4,795.95	3,317.81	2,246.33
4.57	9.64	11.40	9.70	6.68	7.25
9.04	24.04	20.53	16.99	12.61	12.68
34.48	89.10	76.47	60.13	51.28	44.38

Key Ratios

Particulars	31-MAR-2015 (18 Months) (Audited)	30-SEP-2013 (18 Months) (Audited)	31-MAR-2012 (12 Months) (Audited)	31-Mar-2011 (12 Months) (Audited)
Operating Profits				
EBITDA (%)	23.81%	28.95%	29.49%	29.42%
Profit Before Tax Margin (%)	2.52%	9.36%	8.56%	9.78%
Profit After Tax Margin (%)	1.58%	4.62%	4.28%	6.33%
Return on Net Worth (%)	4.29%	12.06%	10.41%	13.05%
Return on Capital Employed (%)	12.62%	14.52%	12.63%	11.56%
Balance Sheet Ratios				
Net Total Debt - Equity	2.72	2.98	3.14	2.80
Net Total Debt / EBITDA	4.19	3.94	4.37	4.62
Current Ratio	1.58	1.49	1.24	1.26
Coverage Ratios				
PBDIT/Interest	1.62	2.27	2.28	2.55
Debtors Turnover - Days	186	136	88	99
Inventory Turnover - Days	205	158	139	114

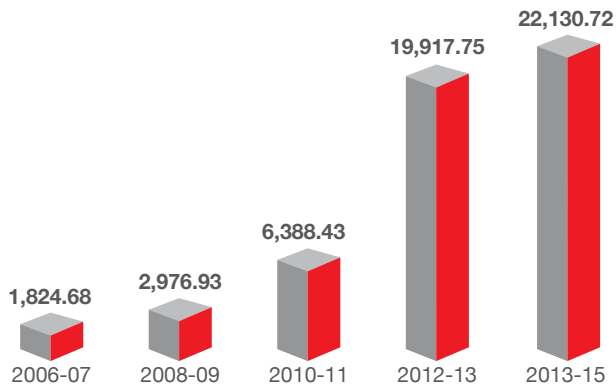


31-MAR-2010 (12 Months) (Audited)	31-MAR-2009 (12 Months) (Audited)	31-MAR-2008 (12 Months) (Audited)	31-MAR-2007 (12 Months) (Audited)	31-MAR-2006 (12 Months) (Audited)	31-MAR-2005 (12 Months) (Audited)
29.52%	27.63%	25.24%	22.52%	21.21%	19.97%
8.69%	9.57%	11.70%	10.90%	10.84%	10.09%
5.74%	6.33%	7.73%	7.41%	7.69%	7.29%
9.11%	10.73%	11.72%	13.11%	12.45%	13.32%
9.25%	7.36%	6.98%	8.05%	8.88%	10.90%
2.62	3.56	2.86	2.49	2.08	2.08
5.59	7.60	7.47	6.21	5.57	5.57
1.83	1.36	1.44	1.45	2.10	2.10
2.38	2.70	4.15	4.62	4.51	4.51
93	108	102	109	91	91
125	116	116	93	92	92

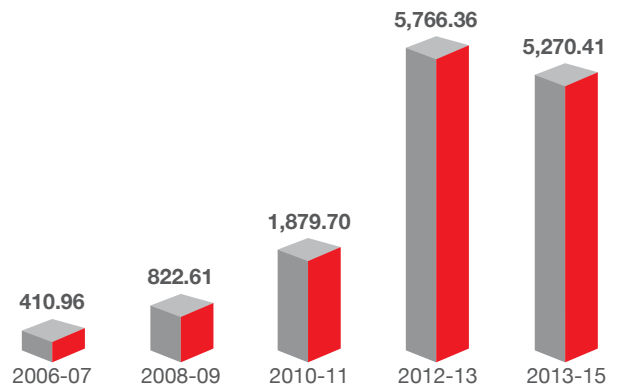
Key Indicators



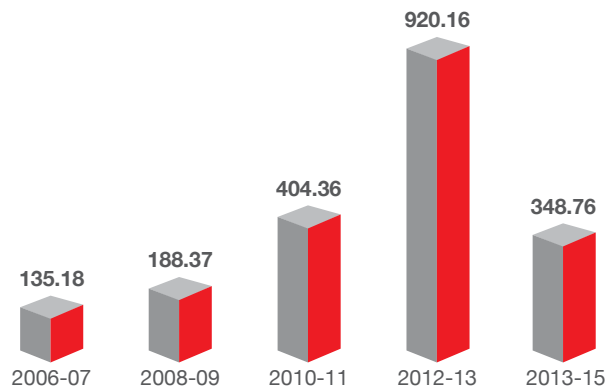
Net Sales (₹ Crore)



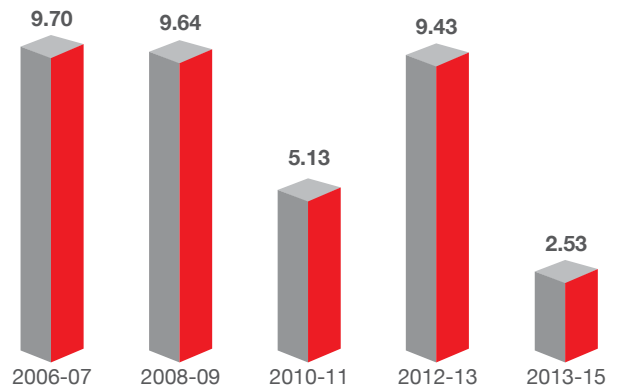
EBITDA (₹ Crore)



Operating Profit After Tax (₹ Crore)

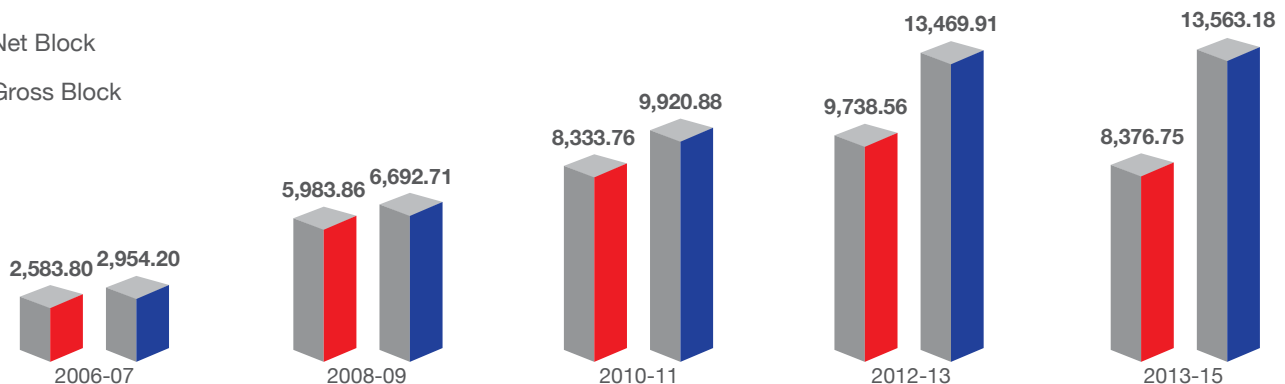


EPS (₹)

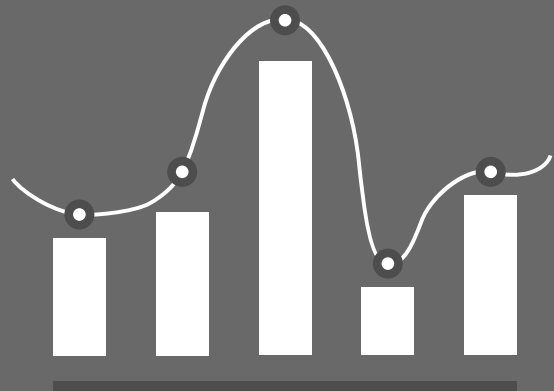
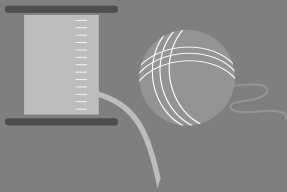


Fixed Assets (₹ Crore)

- Net Block
- Gross Block



Finance



Notice

NOTICE is hereby given that the 28th Annual General Meeting of the members of ALOK INDUSTRIES LIMITED (CIN: L17110DN1986PLC000334) will be held at the Registered Office of the Company at Survey Nos.17/5/1 & 521/1, Village Rakholi/ Saily, Silvassa – 396230, Union Territory of Dadra and Nagar Haveli on Friday, June 26, 2015 at 12.00 noon, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial period ended March 31, 2015 (18 months) and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Sunil O. Khandelwal having Director Identification Number 06430362 who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. K.H. Gopal having Director Identification Number 06430369 who retires by rotation and being eligible, offers himself for re-appointment.
4. Appointment of Statutory Auditors

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013(the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Registration No.117366W/W-100018), who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and reimbursement of out of pocket expenses incurred by them in connection with the audit of the Accounts of the Company.”

SPECIAL BUSINESS:

5. Ratification of Remuneration to Cost Auditor

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable for the year 2015-2016 to Messrs. B.J.D. Nanabhoy & Co, Cost Accountants having Firm Registration No.000011 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2015-2016, amounting to ₹ 75,000/- (Rupees Seventy Five Thousand) as also the payment of service tax as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.”

6. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Timothy Ingram (DIN: 01430613), Director of the Company be and is hereby confirmed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from the date of this meeting i.e 26th June 2015 and not liable to retire by rotation.”

7. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement and pursuant to Article 130 of the Articles of Association of the Company, Mr. Surinder Kumar Bhoan (DIN: 00435603), who was appointed as an Additional Independent Non- Executive Director of the Company on March 30, 2015 and whose term of office expires at this Annual General Meeting in terms of Section 161 of Companies Act, 2013 and in respect of whom the Company has pursuant to Section 160 of Companies Act, 2013, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as an Independent Non- Executive Director of the Company to hold office for a term upto five consecutive years commencing from March 30, 2015 and not liable to retire by rotation.”

By Order of the Board

K. H. Gopal
Executive Director & Secretary

Registered Office:

17/5/1 & 521/1,
Village Rakholi / Saily,
Silvassa – 396 230,
Union Territory of Dadra & Nagar Haveli
Dated: May 28, 2015

NOTES:

1. The relative Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 5 to 7 of the accompanying Notice are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
4. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
5. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
7. The Register of Members and Share Transfer Books of the Company shall remain closed from June 19, 2015 to June 26, 2015, both days inclusive, for the purpose of Annual General Meeting.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holdings shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents, M/s.Link Intime India Private Limited.
9. The Company has already transferred the unclaimed Dividend, declared upto the financial year ended 31st March 2007 to the Investor Education and Protection Fund (IEPF).

Members who have not encashed their dividend warrants pertaining to previous years as mentioned below are requested to approach the Company's R&TA on or before the last date for claiming the unpaid dividend as mentioned in the below table.

Pursuant to the provisions of Section 205A(5) & 205(c) of the Companies Act, 1956 (which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified), dividends for the financial year ended 31 March 2008 and thereafter, which remain unpaid or unclaimed for a period of 7 years from respective dates of transfer to the unpaid dividend account of the Company are due for transfer to the IEPF on the dates given in table below:

Financial year ended	Date Declaration	Last date for claiming unpaid dividend	Due date for Transfer to IEPF
31.03.2008	29.09.2008	28.09.2015	28.10.2015
31.03.2009	25.09.2009	24.09.2016	24.10.2016
31.03.2010	17.09.2010	16.09.2017	16.10.2017
31.03.2011	29.09.2011	28.09.2018	28.10.2018
31.03.2012	14.08.2012	13.08.2019	12.10.2019
30.09.2013	27.12.2013	26.12.2020	26.01.2021

Details of IEPF of the amalgamated Company i.e M/s. Grabal Alok Impex Limited

Financial year ended	Date Declaration	Last date for claiming unpaid dividend	Due date for Transfer to IEPF
31.03.2008	30.09.2008	29.09.2015	29.10.2015
31.03.2009	30.09.2009	29.09.2016	29.10.2016
31.03.2010	30.09.2010	29.09.2017	29.10.2017
31.03.2011	29.09.2011	28.09.2018	28.10.2018

Members who have so far not encashed their dividend warrants pertaining to the aforesaid years are advised to submit their claim to the Company's R&TA at the address mentioned below quoting their folio number/ DP ID & Client ID. It may be noted that once unclaimed dividend is transferred to IEPF as aforesaid, no claim shall lie in respect of such amount by the members.

10. Members may avail themselves of the facility of nomination in terms of Section 72 of the Companies Act, 2013 by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's R&TA at the aforesaid address.

11. Members are requested to notify immediately any change of their address:

- (a) To their Depository Participants (DPs) in respect of their electronic share accounts, and
- (b) To the Company at its Registered Office address or Link Intime India Private Limited, the Registrar and Share Transfer Agent of the Company at C-13, Kantilal Maganlal Estate, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai 400 078, India, Tel: +91 22 2596 0320, Fax: +91 22 2596 0329, in respect of their physical shares, if any, quoting their folio nos.

12. Members are advised to submit their Electronic Clearing Service (ECS) mandates to the Company's R&TA at their aforesaid address to facilitate remittance by means of ECS.

13. Members are requested to bring their copy of the Annual Report to the Meeting and produce the Attendance Slip at the entrance where the Annual General Meeting will be held.

14. VOTING THROUGH ELECTRONIC MEANS:

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 28th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

The facility for voting through ballot paper shall be made available at the AGM and the members attending the

meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The remote e-voting period commences on 23rd June, 2015 (10.00 am) and ends on 25th June, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th June, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

I. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

- (i) Open email and open PDF file viz; "e-voting.pdf" with your Client ID or Folio Number as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password noted in step (i) above. Click Login. If you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password. If you forgot your password, you can reset your password by using "Forgot User details/password", option available on www.evoting.nsdl.com.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "Alok Industries Limited"
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.

- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to bhattivirendra1945@yahoo.co.in with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:
EVEN (Remote E-voting Event Number) USER ID PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IV. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 19th June, 2015.
- V. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 19th June, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.
- VI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- VII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- VIII. Mr. Virendra G. Bhatt, Practising Company Secretary (Membership No. 1157) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner
- IX. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- X. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.alokind.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited & National Stock Exchange of India Limited, Mumbai.
15. **Re-appointment/Regularization of Directors:**
- At the forthcoming Annual General Meeting, Mr. Sunil O. Khandelwal and Mr. K.H. Gopal retire by rotation and being eligible offer themselves for re-appointment. Mr. Timothy Ingram being confirmed and Mr. Surinder Kumar Bhoan being regularized as Independent Directors. The information/details pertaining to the above three Directors that is to be provided in terms of Clause 49 of the Listing Agreement executed by the Company with the Stock Exchanges are furnished in the statement of Corporate Governance published elsewhere in this Annual Report.

16. Equity Shares of the Company are listed on the following Stock Exchanges:

BSE Limited

Floor 25, P. J.
Towers,
Dalal Street, Fort,
Mumbai - 400 001.

**National Stock Exchange of
India Limited**

Exchange Plaza, 5th Floor,
Plot No.C/1,
“G” Block, Bandra-Kurla
Complex,
Bandra (East),
Mumbai - 400 051.

The Listing fees in all the above stated Exchanges have been paid upto 31 March 2016.

17. Members desiring any information as regards to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

By Order of the Board

K. H. Gopal
Executive Director & Secretary

Registered Office:

17/5/1 & 521/1,
Village Rakholi / Saily,
Silvassa – 396230,
UT of Dadra & Nagar Haveli
Date: May 28, 2015

Important Communication to members

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that the service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail address, so far, are requested to register their e-mail address in respect of electronic holdings with the Depository through their concerned Depository Participants. We are sure, that as a responsible citizen, you will whole-heartedly support this initiative and will co-operate with the Company in implementing the same.

Annexure to the Notice

Explanatory Statement Pursuant To Section 102 of the Companies Act, 2013

Item No.5

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of Messrs. B.J.D. Nanabhoy & Co, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ended March 31, 2016.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors during the year 2016 as set out in the Resolution for the aforesaid services to be rendered by them.

None of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested in the said Resolution.

The Board of Directors recommend the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

Item No.6

Mr. Timothy Ingram is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in July, 2005.

In terms of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and read with rules under the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Schedule IV of the Companies Act, 2013 and in compliance with the listing agreement as amended from time to time, Mr. Timothy Ingram is proposed to be confirmed as an Independent Director up to 25th June, 2020, for a period of 5 years. Mr. Ingram is already an Independent Director of the Company under Clause 49 and also satisfies the conditions of an Independent Director under the Companies Act, 2013. He is regularized as an Independent Director under Companies Act, 2013.

As per the Companies Act, 2013, the Independent Director need not retire by rotation.

In the opinion of the Board, Mr. Ingram fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his continuing as an Independent Director of the Company and is independent of the management.

The Board considers that Mr. Ingram's continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Ingram as an Independent Director. Accordingly, the Board recommends the resolution

in relation to confirmation of Mr. Ingram as an Independent Director, for the approval by the shareholders of the Company

Except Mr. Timothy Ingram, none of the Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 6.

Item no. 7

Mr. Surinder Kumar Bhoan has been appointed as an Additional Non-Executive Independent Director of the Company with effect from March 30, 2015 by the Board of Directors of the Company. In terms of Section 161(1) of the Companies Act, 2013, Mr. Surinder Kumar Bhoan holds office as an additional independent director upto the date of this Annual General Meeting. The Company has received a notice in writing from the Director alongwith deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company. In terms of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and read with rules under the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Schedule IV of the Companies Act, 2013 and in compliance with the listing agreement as amended from time to time, Mr. Surinder Kumar Bhoan is proposed to be appointed as an Independent Director for a term up to March 29, 2020, for a period of 5 years from the date of his appointment.

In terms of Section 149, Section 152 and any other applicable provisions of the Companies Act, 2013, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation.

In the opinion of the Board, Mr. Surinder Kumar Bhoan fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. The Copy of the draft letter for appointment of Mr. Surinder Kumar Bhoan as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Surinder Kumar Bhoan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Surinder Kumar Bhoan as an Independent Director, for the approval by the shareholders of the Company.

Except Mr Surinder Kumar Bhoan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 7.

By Order of the Board

K. H. Gopal
Executive Director & Secretary

Registered Office:

17/5/1 & 521/1,
Village Rakholi / Saily,
Silvassa – 396230,
UT of Dadra & Nagar Haveli
Date: 28th May 2015

Directors' Report to the Members

Your Directors are pleased to present their 28th Annual Report together with the Audited Accounts for the 18 months period ended 31st March, 2015.

Financial Results

The financial performance of the Company for the 18 months period ended is summarized below:

(₹ Crore)

Particulars	Stand alone		Consolidated	
	31.03.2015 (18 Months)	30.09.2013 (18 Months)	31.03.2015 (18 Months)	30.09.2013 (18 Months)
Sales / Job charges (net of excise)	22130.72	19,917.75	24153.06	21,388.36
Other Income	224.82	341.91	467.20	412.00
Total Income	22355.54	20259.66	24620.26	21800.36
Total Expenditure	17085.13	14,492.80	18983.71	16,155.19
Operating Profit Before Interest, Depreciation & Taxes	5270.41	5766.86	5636.55	5645.17
Interest	3251.16	2542.45	3512.72	2813.62
Depreciation	1461.21	1,360.77	1521.78	1,418.20
Profit Before exceptional items & Tax	558.04	1,863.64	602.05	1,413.35
Exceptional Items	-	(463.74)	(131)	(634.38)
Profit Before Tax	558.04	1,399.90	471.05	778.97
Add / (Less): Provision For Taxation				
— Current Tax	(92.90)	(442.37)	(97.97)	(449.28)
— Deferred Tax Provision	(204.12)	(37.37)	(206.51)	(35.04)
— MAT Credit Entitlement	87.74	-	87.74	-
Profit After Tax	348.76	920.16	254.31	294.65
Add/(Less): Share of Profit of Associates	--	--	3.95	2.07
Profit After Tax after Minority Interest	348.76	920.16	258.26	296.72
Balance brought forward from the previous year	2328.84	1380.16	1002.21	629.63
Add: Profit and Loss Reserve on Amalgamation	-	-	-	49.31
Balance available for appropriation	2677.60	2300.32	1260.47	975.66
Which the Directors apportioned as follows:				
(i) Proposed Dividend	-	(41.32)	-	(41.32)
(ii) Dividend Tax thereon	-	(7.02)	(0.57)	(7.94)
iii) Transferred from Debenture Redemption Reserve	(3.03)	76.86	(3.03)	76.86
(iv) Excess/(Short) Provision of Dividend and Tax thereon of previous year	-	-	-	(0.58)
(v) Transferred to General Reserve	-	-	(0.78)	(0.47)
(vi) Transferred to Capital Reserve	-	-	-	-
Sub-total	(3.03)	28.52	(4.38)	26.55
Balance to be carried forward	2674.57	2328.84	1256.09	1002.21

Notes: Previous years' figures have been reclassified / regrouped wherever necessary, to correspond with those of the current period

Year in Retrospect:

For the 18 months period ended 31st March, 2015 your Company recorded sales of ₹ 22130.72 crore. The exports of your Company for the year (including incentives) stood at ₹ 3861.60 crore. The profit before tax was at ₹ 558.04 crore.

Your Company's performance for the period under review are given in greater detail in the 'Management Discussion and Analysis', which forms part of this Directors' Report.

Awards and Recognition

During the year under review, your Company has won awards in following categories:

- A. From Cotton Textile Exports Council of India (TEXPROCIL):
 1. Gold Trophy for the Highest Exports of Bed Linen/Bed Sheets/Quilts in Madeups;
 2. Gold Trophy for the Highest Exports of Other Fabrics including Embroidered Fabrics, Laces;
 3. Gold Trophy for the Highest Exports of Terry Towels in Madeups;
 4. Silver Trophy for the Second Highest Exports of Bleached/Dyed/Yarn Dyed/Printed Fabrics;
 5. Silver Trophy for the Second Highest Global Exports (Overall).
- B. From The Synthetic & Rayon Textiles Export Promotion Council:
 6. Award for Fourth Best Overall Export Performance in the Category of SRTEPC Special Award (Trophy);

Dividend

The Board of Directors has not recommended any dividend on the Share Capital of the Company for the period ended

31st March 2015 considering the current cash flow position of the company.

Share Capital

During the period under review, your Company on 13th November, 2014 has granted 2,02,300 Equity Shares of ₹ 10.00 each for cash at par under ESOP Scheme to its employees. Accordingly, the Company's equity share capital as on 31st March, 2015 stands at ₹ 1377.33 crore divided into 137,73,17,895 fully paid equity shares of ₹ 10/- each.

Loans

During 18 months period ended 31st March, 2015, your Company has repaid debt of ₹ 683.51 crore, both secured and unsecured. The total debt at the end of the period stood at ₹ 15346.67 crore compared to ₹ 16030.18 crore at the end of previous year.

Capital Expenditure

As at 31st March, 2015, the gross fixed assets (including CWIP) stood at ₹ 13563.18 crore and the net fixed assets stood at ₹ 8376.75 crore. During the period 18 Months ended 31st March, 2015, your company has incurred a capital expenditure of ₹ 104.53 crore across various divisions.

Details of your Company's capacities across various divisions are provided under the head 'Alok's Capacities' (Table No.10) in the Management Discussion and Analysis annexed to this Report.

Extension of Accounting Period

Your Company has extended its accounting period upto 18 months, i.e. 1st October, 2013 to 31st March, 2015 and has obtained necessary approvals in this regard. Accordingly the Company has also obtained necessary approval to convene



the Annual General Meeting on or before 26th June, 2015 in accordance with Section 166 read with Section 210 of the Companies Act, 1956.

Deposits

During the period under review your Company has not accepted any fixed deposits from the public. All deposits accepted during the previous periods have been repaid together with interest accrued upto the date of maturity.

Subsidiary Companies

At the end of the accounting period under review, your Company had the following subsidiaries:

Subsidiaries of Alok Industries Limited

1. Alok Infrastructure Limited
2. Alok International Inc. (incorporated in the state of New York, USA)
3. Alok International (Middle East) FZE (incorporated in Dubai)
4. Alok Singapore Pte Limited (incorporated in Singapore)
5. Alok Worldwide Limited (incorporated in the British Virgin islands)
6. Alok Trading Singapore Pte Limited (incorporated in Singapore)
7. Alok Universal Singapore Pte Limited (incorporated in Singapore)
8. Alok Global Singapore Pte Limited (incorporated in Singapore)
9. Alok Merchant Singapore Pte Limited (incorporated in Singapore)
10. Alok Global Trading (Middle East) FZE (incorporated in Dubai)

Step-down subsidiaries of Alok Industries Limited

Parent Company	Subsidiary	%Holding
Alok Infrastructure Limited	Alok Industries International Ltd.	100.00%
	Grabal Alok International Limited	100.00%
Alok Industries International Ltd. (incorporated in the British Virgin islands)	Mileta, a.s. (incorporated in the Czech Republic)	100.00%
	Grabal Alok (UK) Limited	99.21%
Grabal Alok International Ltd. (incorporated in the British Virgin islands)	Grabal Alok (UK) Limited	0.66%

The Members are requested to note that the Ministry of Corporate Affairs vide its General Circular No. 2/2011 dated February 8, 2011, has granted a general exemption to all the companies under Section 212(8) of the Companies Act, 1956, with regard to attaching the Balance Sheet, Profit & Loss Account and other documents of the subsidiaries of the company after complying with the directions given therein. However, the Members who wish to have a copy of the annual audited accounts of the subsidiaries will be provided the same upon receipt of a request from them and will also be available for inspection by any Member at the registered office of the Company and of the subsidiary companies on any working day except Saturday, between 11.00 am to 6.00 pm.

The specified financial information of subsidiary companies is disclosed along with the consolidated financial statements of the Company. In accordance with the requirements of the Listing Agreement executed with the Stock Exchanges,

the consolidated financial statements of the Company are annexed to the Annual Report.

Auditors' Report

There are no qualifications, reservations, or adverse remarks or disclaimers made by the Deloitte Haskins & Sells LLP, Statutory Auditors, in their report. Observations made in the Auditor's Report are self-explanatory and therefore do not call for any further comments under Section 134(1) of the Companies Act, 2013.

Employees Stock Option Plans

On September 28, 2013, the Remuneration Committee granted 2,30,44,650 options under Grant 3 at an exercise price of ₹ 10 each. The above options vests for a year i.e. upto September 28, 2014 and can be exercised by the Employees upto September 28, 2016. Each option represents a right but

not obligation to apply for 1 fully paid equity share of ₹ 10/- During the period, the Company on 13th November, 2014 has allotted 2,02,300 options for cash at par under ESOP Scheme to its employees. 36,90,950 options lapsed during the period due to separations. 1,91,29,600 options are in force as at 31st March 2015 and all these options have vested.

The information as required pursuant to the Securities & Exchange Board of India (Employees' Stock Option Scheme and Employees' Stock Purchase Scheme) Guidelines, 1999 is annexed hereto as Annexure I and forms part of this report.

Business Responsibility Reporting

SEBI vide its Circular CIR/CFD/DIL/8/2012 dated August 13, 2012, has mandated the top 100 listed entities, based on market capitalisation on BSE Limited and National Stock Exchange of India Limited at March 31, 2012, to include Business Responsibility Report ("BRR") as part of the Annual Report.

Though, the aforesaid circular does not apply to your company, the Board of Directors are voluntarily providing a separate section on BRR as part of this Annual Report.

Corporate Social Responsibility (CSR) and CSR Committee

In accordance with the provisions of Section 135 of the Companies Act, 2013, the Company is required to constitute a Corporate Social Responsibility (CSR) Committee of Directors comprising at least three directors including an independent director.

The board has constituted the CSR Committee comprising Mr. S. K. Bhoan, Mr. Sunil O. Khandelwal and Mr. K.H. Gopal.

The Companies Act, 2013 and the rules made thereunder has defined various activities that can be undertaken towards CSR initiatives which inter alia include poverty eradication, health, education, promoting gender equality, environment sustainability, protection of national heritage, benefits for armed forces veterans and their dependents, sports, contributions to approved central government funds and rural development projects.

The terms of reference of the committee inter alia include formulation of a CSR policy indicating the activities that will be undertaken, recommending the CSR policy to the board for adoption, recommending the amount of expenditure to be incurred and ensuring a transparent monitoring mechanism for undertaking such activities. The CSR committee will monitor the implementation of the CSR policy and apprise the board accordingly.

Details of CSR initiatives undertaken by the Company during the year are given under the head 'Sustainability', in the Management Discussion and Analysis forming part of this Annual Report.

Corporate Governance

The Securities and Exchange Board of India (SEBI) has prescribed certain corporate governance standards vide Clause 49 of the Listing Agreement with stock exchanges. Your Directors reaffirm their commitment to these standards and a detailed Report on Corporate Governance together with the Auditors' Certificate on its compliance is annexed hereto.

Directors

During the year, Mr. Ashok B. Jiwrajka, Executive Chairman of the Company has relinquished the post of Executive Chairman from the Board and continues as an Executive Director of the Company.

The Board of Directors through circulation appointed Mr. S K Bhoan as an additional independent Director effective from 30.03.2015.

In accordance with the Articles of Association of your Company, Mr. Sunil O. Khandelwal, Executive Director & CFO and Mr. K. H. Gopal, Executive Director & Secretary, retires from office by rotation, and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting of the Company.

The brief resume of Mr. Sunil O. Khandelwal, Mr. K. H. Gopal, Mr. Timothy Ingram and Mr. S. K. Bhoan, as required inter alia in terms of Clause 49 of the Listing Agreement with the stock exchanges, are provided elsewhere in this Annual Report.

During the year Mr. Sudhir Garg was appointed as Nominee Director representing IFCI Limited to fill the casual vacancy caused by the resignation of Mr. M. V. Muthu with effect from 13th February, 2014.

During the year Mr. K. R. Modi, Independent Director and Mr. Samuel Joseph, Nominee Director of Export-Import Bank of India, had resigned from the Board of Directors with effect from 13th February, 2014 and 1st December, 2014 respectively.

The Board of Directors places on record their sincere appreciation for the contribution and valuable service rendered by Mr. M. V. Muthu, Mr. K R Modi and Mr. Samuel Joseph during their tenure.

Section 149 and other applicable provisions of the Companies Act, 2013, require the Company to have atleast one-third of the total number of Directors as Independent Directors. In the opinion of the Board, Mr. Timothy Ingram and Mr. S.K.Bhoan are Independent Directors in terms of the Listing Agreement, meet the criteria of independence in terms of section 149 (6) of the Act, are being considered for appointment as Independent Directors of the Company under sections 149,150 and 152 read with Schedule IV of the Act. The Company has received declarations from all these Directors of the Company confirming that they meet with the criteria of independence as prescribed both under section 149 (6) and Schedule IV of the Companies Act, 2013 and clause 49 of the Listing Agreement

with the Stock Exchanges. Accordingly resolutions will be placed at the ensuing Annual General meeting (AGM) for their appointment as Independent Directors for a period of five consecutive years from the date of ensuing AGM not liable to retire by rotation.

Further, the required resolutions for confirmation/appointment/re-appointment of the above Directors at the forthcoming Annual General Meeting are included in the Notice convening 28th Annual General Meeting.

Directors' Responsibility Statement

Your Directors state that:

- i. in the preparation of the annual accounts for the 18 months period ended 31st March, 2015, the applicable Accounting Standards have been followed and there has been no material departure from the same;
- ii. the Directors have selected such accounting policies, consulted and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2015 and of the profit of your Company for the period ended on that date;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts for the 18 months period ended 31st March, 2015 on a 'going concern' basis and
- v. the Company has adequate internal systems and controls in place to ensure compliance of laws applicable to the Company.
- vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Consolidated financial statements

Your Company has prepared Consolidated Financial Statements in accordance with Accounting Standards AS-21, AS-23 and AS-27 issued by the Institute of Chartered Accountants of India. The Consolidated Statements reflect the results of the Company and that of its Subsidiaries, Joint Ventures and Associates.

As required by clause 32 of the Listing Agreement with the Stock Exchanges, the Audited Consolidated Financial Statements together with the Auditors Report thereon are annexed and form part of this Annual Report.

The Consolidated Financial Statements of the Company prepared as per the Accounting Standard AS-21 and Accounting Standard AS-23, consolidating the Company's accounts with its subsidiaries and an associate have also been included as part of this Annual Report.

Auditors

Messrs Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.117366W/ W-100018), Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received a confirmation from Messrs Deloitte Haskins & Sells LLP to the effect that their appointment, if made, at the ensuing AGM would be in terms of Sections 139 and 141 of the Companies Act, 2013 and rules made there under and that they are not disqualified for re-appointment.

Cost Auditor

Pursuant to the directives of the Central Government under the provisions of the Companies Act, 2013, the Board of Directors at their meeting held on 28th May 2015 has appointed M/s B. J. D. Nanabhoy & Co., Cost Accountants as Cost Auditors to conduct audit of cost records relating to the products manufactured by your Company for the Financial Year 2015-16.

Secretarial Audit

Pursuant to provisions of Section 204 of the Companies Act, 2013, the Board appointed Mr. Virendra G Bhatt, Practising Company Secretary, as Secretarial Auditor to carry out the secretarial audit for the financial year 2015-2016. Since the provisions relating to the disclosures are not applicable for the year under review, the secretarial audit report is not enclosed to the Boards' report for the year ended 31st March, 2015.

Particulars of Employees

Your Directors appreciate the significant contribution made by the employees to the operations of your Company during the period.

The information required on particulars of employees as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 is given in a separate Annexure to this Report. As per the provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, the Report and Accounts are being sent to all shareholders of your Company excluding the Statement of Particulars of Employees (Annexure). Any shareholder interested in obtaining a copy of the said Annexure may write to your Company Secretary at the Corporate Office of your Company.

More details on the Human Resources function of your Company and its various activities are given in the 'Human Resources' and 'Sustainability' sections of the attached Management Discussion & Analysis.

Vigil mechanism/ Whistle Blower Policy:

The Company has formulated a vigil mechanism (whistle blower policy) for its directors and employees of the Company for reporting genuine concerns about unethical practices and suspected or actual fraud or violation of the code of conduct of the Company as prescribed under the Companies Act, 2013 and Clause 49 of the Listing Agreement. This vigil mechanism

shall provide a channel to the employees and Directors to report to the management concerns about unethical behavior, and also provide for adequate safeguards against victimization of persons who use the mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2015 are annexed hereto and forms part of this report.

Green Initiative by The Ministry Of Corporate Affairs

The Ministry of Corporate Affairs ("MCA") has taken a Green Initiative in Corporate Governance by permitting electronic mode for service of documents to Members (shareholders) as per relevant provisions of the Companies Act, 2013 ("the Act").

Pursuant to provisions of the Act, and rules made thereunder, service of documents to Members can be now made by electronic mode on the email address provided for the purpose of communication. If a Member has not provided an email address, other permitted modes of service would be applicable.

Your Company sincerely appreciates shareholders who have contributed towards furtherance of Green Initiative. We further appeal to other shareholders to contribute towards furtherance of Green Initiative by opting for electronic communication. The shareholders may also reach out to the Company/RTA by sending a request letter alongwith a self attested PAN copy. The request can also be made online on Alok website (www.alokind.com), post which the RTA would contact the concerned shareholder for the requisite documentation.

This initiative will ease the burden on corporates (and the environment) of sending physical documents such as notices, annual reports etc. Those who have not provided their email address will continue to receive communications, dissemination, notice(s), documents etc. via permitted mode of service of documents. Further the shareholders, who request for physical copies, will be provided the same at no additional cost to them.

The Company is providing e-voting facility for all Members to enable them to cast their votes electronically on all resolutions set forth in the 28th AGM Notice. This is pursuant, inter alia, to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014. The detailed instructions for e-voting are provided in the AGM Notice which is being sent separately as per prescribed mode of dispatch.

Companies Act, 2013

The Companies Act, 2013 was notified in the Official Gazette of the Government of India on August 29, 2013. On September 12, 2013, the Ministry of Corporate Affairs (MCA) notified 98 sections and on March 27, 2014, the MCA notified another 198

sections, which were deemed to come into force with effect from April 1, 2014.

The MCA vide Circular No. 08/2014 dated April 4, 2014 clarified that the financial statements and the documents required to be attached thereto, the auditors' and directors' report in respect of the financial year under reference shall continue to be governed by the relevant provisions of the Companies Act, 1956, schedules and rules made there under.

The Company has accordingly prepared this balance sheet, statement of profit & loss, the schedules and notes thereto and the Directors' Report in accordance with the relevant provisions of the Companies Act, 1956, schedules and rules made there under. The Company has taken cognisance of the new legislation and shall comply with the provisions of the Companies Act, 2013, as applicable.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the period under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Acknowledgements

The Board of Directors wish to place on record its sincere appreciation for the support received from its stakeholders including shareholders, bankers, distributors, suppliers and business associates. The Directors recognize and appreciate the sincere, hard work, loyalty, dedicated efforts and contribution of all the employees that ensured sustained performance in a challenging business environment.

For and on behalf of the Board

Dilip B. Jiwrajka
Managing Director

Place: Mumbai

Dated: 28th May 2015

ANNEXURE I

PARTICULARS PURSUANT TO THE SECURITIES & EXCHANGE BOARD OF INDIA (EMPLOYEES' STOCK OPTION SCHEMES AND EMPLOYEES' STOCK PURCHASE SCHEME) GUIDELINES, 1999

		Grant 3
(a)	Options granted	23,044,650
(b)	Pricing Formula	₹ 10.00
(c)	Options vested (Upto 31 March, 2015)	19331900
(d)	Options exercised (Upto 31 March, 2015)	202300
(e)	Total number of shares arising as a result of exercise of options	202300
(f)	Options lapsed/surrendered (Upto 31 March, 2015)	3712750
(g)	Variation of terms options (Upto 31 March, 2015)	NA
(h)	Money realized by exercise of options	
(i)	Total number of options in force (Upto 31 March, 2015)	19129600
(j)	Employee wise details of options granted during the period ended 31.03.2015 to:	
	1 Senior Management Personnel	Nil
	2 Employees to whom more than 5% options granted during the period ended 31.03.2015	Nil
	3 Employees to whom options more than 1% of issued capital granted during the period ended 31.03.2015	Nil
(k)	Diluted EPS, pursuant to issue of shares on exercise of options	2.53
(l)	1 Method of calculation of employee compensation cost	Calculation is based on intrinsic value method
	2 Intrinsic Value per share	Nil
	3 Difference between the above and employee compensation cost that shall have been recognized if it had used the fair value of the options	Employee compensation cost would have been higher by ₹ 3,48,40,259/- had the Company used fair value method for accounting the options issued under ESOS
	4 Impact of this difference on Profits and on EPS of the Company	Profits would have been lower by ₹ 3,48,40,259/- and EPS would have been lower by ₹ 0.02, had the Company used fair value method of accounting the options issued under ESOS
(m)	1 Weighted average exercise price	₹ 10.00
	2 Weighted average fair value of options based on Black Scholes methodology	₹ 1.82
(n)	Significant assumptions used to estimate fair value of options including weighted average	
	1 Risk free interest rate	8.71%
	2 Expected life	Average life taken as 1 years from date of Vesting
	3 Expected volatility	42%
	4 Expected dividends	Not considered separately included, factored in volatility working
	5 Closing market price of share on a date prior to date of grant	₹ 8.16

ANNEXURE II

THE INFORMATION UNDER SECTION 134 (3) (M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 (3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 FOR THE PERIOD ENDED 31ST MARCH 2015 IS GIVEN HEREIN BELOW AND FORMS PART OF THE DIRECTORS' REPORT.

(A) CONSERVATION OF ENERGY:

In line with the company's commitment towards conservation of energy, all units continue with their endeavor to make more efficient use of energy through improved operational and maintenance practices. The measures taken in this direction at the units are as under:

1. Replaced inefficient motors with energy efficient motors;
2. Installed power factor capacitor banks to save energy;
3. Heat recovery from CRP hot water to boiler feed;
4. Increase in temperature of feed water for saving on coal consumption in boilers;
5. Shades were covered by installing Natural ventilation equipment;
6. Load on air-conditioning plant reduced by introducing special methods;
7. Caustic handling system has been installed on process machines;
8. Made use of waste water generated by cooling coil moisture;
9. Energy audits are being conducted periodically;
10. Employees have been trained in energy conservation measures;
11. Trimming of impellers to save on power consumption in chilled water pumps;
12. Rain water harvesting for bore wells.

(b) TECHNOLOGY ABSORPTION

1. LED lights installed in place of florescent ones which are more energy efficient with minimum maintenance and long life.
2. Conversion of DC to AC drive on machines, wherever possible.
3. Installation of 28W tube with special reflectors in place of 40W tube with same illumination.
4. Usage of coal gassifiers to enhance boiler utility and reduce utility cost.
5. Bore wells are connected to one central tank and special arrangement being erected for water supply with centralized controls attached with level sensors.
6. Installation of Energy Monitoring System for greater accuracy of energy consumption
7. Replacement of fixed speed compressors with variable speed compressors.

(c) Impact of the measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production:

The energy conservation measures undertaken have resulted in reduction in energy consumption and losses and improving the overall production performance.

FORM “A”

Form for disclosure of particulars with respect to conservation of energy

A)	Power & Fuel Consumption for the period ended 31.03.2015	2014-15	2012-13
1)	Electricity Purchased		
	Units:	940,080,365	118,76,31,931
	Total amount (₹ in crores)	459.67	506.54
	Average Rate/Unit (₹)	4.89	4.27
2)	Own Generation through Diesel Generator Set		
	Units:	402,161	13,63,28,074
	Total amount (₹ in crores)	0.80	102.89
	Average Rate/Unit (₹)	19.98	7.55
3)	Own Generation through Co-generation		
	Units	-	1,88,47,763
	Total amount (₹ in Crores)	-	7.55
	Average Rate/Unit (₹)	-	4.01
4)	Own Generation through Gas Turbine		
	Units	-	4,72,28,007
	Total amount (₹ in Crores)	-	34.28
	Average Rate/Unit (₹)	-	7.26
5)	a) Furnace Oil consumed		
	Total amount (₹ in crores)	61.45	10.44
	b) Natural Gas consumed		
	Total amount (₹ in crores)	86.56	428.95
	c) Coal consumed		
	Total amount (₹ in Crores)	102.55	30.50
	d) Diesel Consumed		
	Total amount (₹ in Crores)	1.30	5.02
	e) Electricity Duty Paid	1.73	4.05
B)	Consumption per unit of production	2014-15	2012-13
	a) Yarn (Kgs)	138,146,467.09	23,26,66,224.89
	Units Consumed (per kgs)	1.13	1.11
	b) Fabric Knits (Kgs)	11,425,745.65	1,47,81,373.34
	Units Consumed (per kgs)	0.52	0.51
	c) Fabric Woven (Mtrs)	1,336,371,409.46	88,14,44,876.23
	Units Consumed (per mtrs)	0.13	0.30
	d) Processing Woven (Mtrs)	171,935,342.43	19,50,73,171.77
	Units Consumed (per mtrs)	0.29	0.27
	e) Processing Knits (Kgs)	9,912,417.99	1,14,60,375.20
	Units Consumed (per kgs)	1.41	1.94
	f) Garments (Pcs)	7,612,162.00	1,15,22,266.00
	Units Consumed (per pcs)	0.42	0.31
	g) Madeups (Sets/Pcs)	6,208,000.00	2,03,80,744.00
	Units Consumed (Per Sets/Pcs)	0.50	0.19
	h) Poy (Kgs)	156,651,663.40	32,70,69,412.82

B)	Consumption per unit of production	2014-15	2012-13
	Units Consumed (per Kgs)	0.38	0.39
i)	Spinning (Kgs)	58,446,667.80	9,61,48,535.09
	Units Consumed (per Kgs)	4.98	4.11
j)	Handkerchief (Pcs)	16,072,692.00	1,39,85,868.00
	Units Consumed (per pcs)	0.03	0.05
k)	Chips (Kgs)	220,379,436.84	47,94,70,194.89
	Units Consumed (per kgs)	0.18	0.14
l)	FDY (Kgs)	41,575,139.15	6,91,55,025.27
	Units Consumed (per kgs)	1.19	1.11
m)	Packing Material (Pcs)	30,972,938.00	8,44,51,196.12
	Units Consumed (per Pcs)	0.06	0.05
n)	Embroidery Fabric (mtrs)	26,851,742.10	2,39,87,596.50
	Units Consumed (per mtrs)	0.58	0.75
o)	Polyester Staple Fiber (Kgs)	28,610,446.75	4,09,44,111.46
	Units Consumed (per kgs)	0.42	0.50
p)	Yarn Dyed (kgs)	5,762,324.92	77,12,280.55
	Units Consumed (per kgs)	1.68	1.76
q)	Terry Towel (Kgs)	11,782,538.63	4,53,81,335.32
	Units Consumed (per kgs)	4.43	1.17

(B) TECHNOLOGY ABSORPTION

Research and Development (R & D)

The Company has well established R & D facilities for carrying out research in areas of technical textiles and polyester yarn. The company Incurred following expenditure on R & D during the period.

(₹ In Crore)			
Plant Location	Capital	Recurring	Total
Silvassa	10.28	12.80	23.08
Vapi	-	0.10	0.10
Head Office	1.97	0.30	2.27
Total	12.25	13.20	25.45
Total R & D Expenditure as a percentage of total turnover			0.11%

C)	Foreign Exchange Earnings and Outgo	2014-15	2012-13
i)	Total Earnings of Foreign Exchange		
	FOB Value of Exports	3513.82	4667.74
	Total	3513.83	4667.74
ii)	Total Outgo in Foreign Exchange		
	Commission to sales	10.26	23.15
	Interest on Fixed Loan	186.67	86.01
	Legal and Professional Fees	1.85	4.32
	Marketing Service charge	219.98	113.34
	Sales Promotion Expenses	3.54	2.74
	Bank Charges	5.77	8.77
	Miscellaneous Expenses	11.75	11.60
	Total	439.82	249.93

Management Discussion and Analysis

Management Discussion And Analysis

With manufacturing facilities primarily in India, Alok Industries is an integrated textiles manufacturer that is developing global scales and servicing marquee customers across the world. Today, the business is highly integrated with global markets and macro-economic developments across the world have a significant impact on its performance.

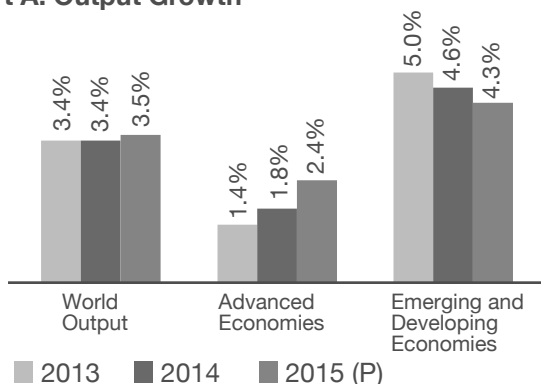
Economic Overview

World

Global growth remains moderate, with uneven prospects across the main countries and regions. IMF estimates suggest that global growth was a modest 3.4% in Calendar Year (CY) 2014, reflecting a pickup in growth in advanced economies relative to the previous year and a slowdown in emerging market and developing economies. Despite the slowdown, emerging market and developing economies still accounted for three-fourths of global growth in 2014. Complex forces that affected global activity in 2014 are still shaping the outlook. These include medium- and long-term trends, such as population aging and declining potential growth; global shocks, such as lower oil prices; and many country- or region-specific factors, such as crisis legacies and exchange rate swings triggered by actual and expected changes in monetary policies.

Relative to CY 2014, the outlook for advanced economies is improving in CY2015, while growth in emerging market and developing economies is projected to be lower, primarily reflecting weaker prospects for some large emerging market economies and oil-exporting countries. Overall, global growth is projected to be 3.5% in CY2015 (see Chart A).

Chart A: Output Growth



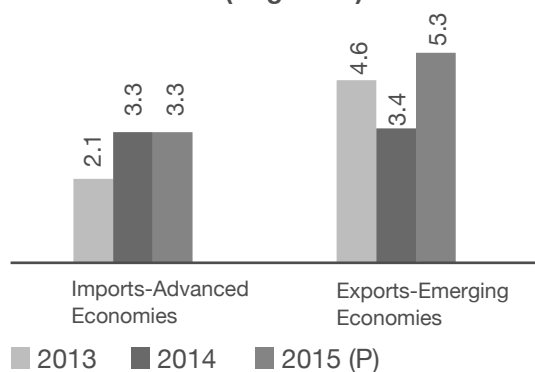
Note: P is Projections; Source: International Monetary Fund (IMF)

Growth in the United States was stronger than expected, averaging about 4% annualized in the last three quarters of CY2014. Consumption—the main engine of growth—has benefited from steady job creation and income growth, lower oil prices, and improved consumer confidence. The unemployment rate declined to 5.5% in February, more

than 1% point below its level of a year ago. In Japan, after a weak second half of the year, growth in CY2014 was close to zero, reflecting weak consumption and plummeting residential investment. In the euro area, activity was weaker than expected in the middle part of CY2014 but showed signs of a pickup in the fourth quarter and in early 2015, with consumption supported by lower oil prices and higher net exports. Investment growth in China declined in the second half of CY2014, reflecting a correction in the real estate sector, and high-frequency indicators point to some further slowdown. Growth in Latin America in the second half of CY2014 was modest, reflecting weak activity in Brazil, lower than-expected growth in Mexico, and weakening momentum in other economies in the region. Economic performance in Russia was a bit stronger than expected in the second half of CY2014, but the increase in geopolitical tensions, declining confidence, and the repercussions of the oil price decline point to a more severe weakening of the outlook in the Commonwealth of Independent States (CIS) as a whole for CY2015 and CY2016.

With the advanced economies regaining steam, its imports have increased (see chart B). Unlike in the recent past, in CY2014 the growth in imports of advanced economies did not translate into higher growth in exports of emerging economies. This indicates the fact that trade within advanced economies have increased and helped enhance their domestic capacity utilisations. Thus, competitive strength continued to intensify for exports from emerging economies.

Chart B: Global Trade (% growth)

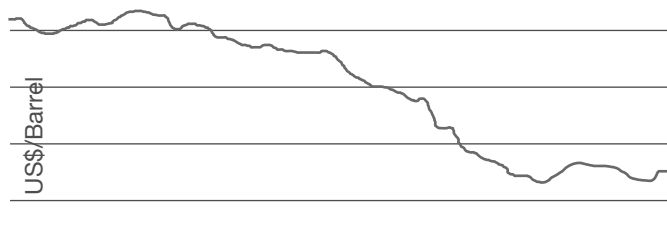


Note: P is Projections; Source: International Monetary Fund (IMF)

Importantly, there has been a complete churn in the global oil and gas economy. This warrants a more detailed explanation. The bottom line is that since November 2014 when oil prices were at levels above US\$100 a barrel, it fell sharply to levels around US\$ 40 a barrel in March 2015 and is today trading around US\$60 a barrel (see chart C). To explain the reasons behind this, one needs to appreciate that oil prices are determined by supply and demand conditions as well as speculative investments based on expectations.

Four things have affected the pricing dynamics. First, demand is low because of weak economic activity, increased efficiency, and a growing switch away from oil to other fuels. Second, turmoil in Iraq and Libya—two big oil producers with nearly 4m barrels a day of combined production – has not affected global output. The market is more sanguine about geopolitical risk. Third, USA has become the world’s largest oil producer. Though it does not export crude oil, it now imports much less, creating a lot of spare supply. Finally, the Saudis and their Gulf allies have decided not to sacrifice their own market share to restore the price. They could curb production sharply, but the main benefits would go to countries they have strong political discord with such as Iran and Russia. Consequently, there has been a sharp fall in prices. Such a steep fall has pushed expectations down and negative sentiments have further impeded speculative demand affecting prices adversely.

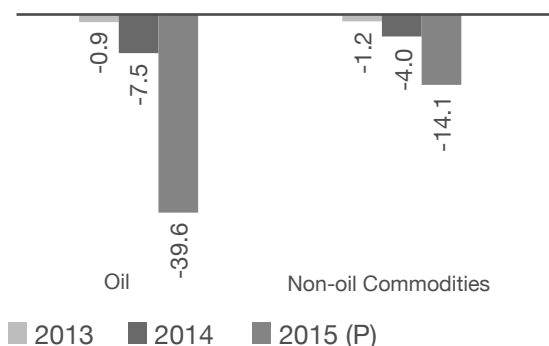
Chart C: Crude Oil Futures (CLM-5)



Source: investing.com

Headline inflation has declined in advanced economies, reflecting the decline in oil prices, softer prices for other commodities, and a weakening of demand in a number of countries already experiencing below-target inflation, such as the euro area and Japan. This decline in inflation, together with changes in the growth outlook and announcements by the Bank of Japan in October 2014 and the European Central Bank (ECB) in January of larger-than-expected asset purchase programs, has strengthened expectations of a protracted divergence in monetary policy stances across the main advanced economies, widening long-term interest rate differentials. With regard to emerging markets, lower prices for oil and other commodities (including food, which has a larger weight in the consumer price index of emerging market and developing economies) have generally contributed to reductions in inflation, with the notable exception of countries suffering sizable exchange rate depreciations, such as Russia.

Chart D: Prices (% growth)



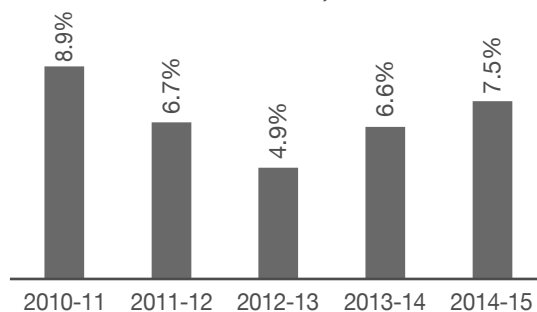
Note: P is Projections; Source: International Monetary Fund (IMF)

In this setting, raising actual and potential output continues to be a general policy priority. In many advanced economies, accommodative monetary policy remains essential to support economic activity and lift inflation expectations. There is also a strong case for increasing infrastructure investment in some economies, and for implementing structural reforms to tackle legacies of the crisis and boost potential output. In many emerging market economies, macroeconomic policy space to support growth remains limited. But in some lower oil prices will help reduce inflation and external vulnerabilities, thereby reducing pressure on central banks to raise policy interest rates. Structural reforms to raise productivity, with a varied agenda across countries, are of the essence to sustain potential output

India

While there have been positive signals with the new BJP led government coming to power in 2014, the macroeconomic recovery is still very gradual. Admittedly, there have been moves in the right direction. However, the pace of recovery on the ground has been slow. The new GDP estimates, as yet not accepted by all concerned even within different ministries of the central government, suggest that real Gross Value Added (GVA) grew by 7.5% in 2014-15 versus 6.6% in 2013-14 (see Chart E). However, the data also shows that much of the improvement occurred because of significantly higher coverage of the services sector, which recorded 10.6% growth in 2014-15.

Chart E: Real GVA Growth, India



Note: There has been change in methodology with all data post 2012-13 depicting GVA, while the period before was GDP. Both are similar concepts but there are differences in calculation methodology. As yet there is no long series that transforms the old GDP data in line with the new GVA methodology. So, the pre-2013-14 are not comparable with the new estimates of the last two years.

Source: Ministry of Statistics and Programme Implementation (MOSPI), Government of India.

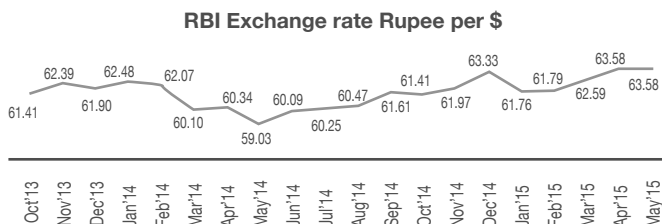
To be sure, there have been positive signals of business confidence such as significantly greater interest of foreign institutional investors in the Indian equity market. Moreover, there is a small uptick in real investments. For instance, growth in gross fixed capital formation (GFCF), which had hit a low of (-)0.3% in 2012-13 has improved to 4.1% in 2014-15.

However, it is only fair to say that while trends may be in the right direction, India has not yet seen the kind of investments needed in the real sectors of the economy to regain its earlier high growth trajectory.

Despite the cautionary tone, it needs stating that there were two positive trends in 2014-15. First, as touched upon earlier, there has been renewed interest in India from foreign investors. This has certainly reflected in terms of foreign portfolio investments (FPI) in the stock market. For portfolio investments, while in 2013-14 there was capital flight with a US\$487 million net outflow, in 2014-15 there has been a net inflow of US\$38.9 billion. Moreover, we are perhaps beginning to see greater interest in foreign direct investments (FDI). For the April-February period, where data is available, FDI into India increased by 23% from US\$26.5 billion in 2013-14 to US\$32.7 billion in 2014-15.

These financial inflows into the country have helped stabilise the rupee, which witnessed a sharp fall in 2013. Since January 2015, even the gradual devaluation trend has stabilised and foreign exchange fluctuations have become less apparent (see chart F)

Chart F: Exchange Rate (Re / US\$ 1)



Source: Pacific Exchange Rate

The other positive news is that inflation seems to be under control. Measured in terms of the consumer price index (CPI), inflation reduced to 5.2% in March 2015 from 5.4% in February. It has been the lowest rate in three months thanks to a reduction in food prices, and is significantly below the average CPI inflation rate in India between 2012 and end-2014, when it averaged 8.7%. While the Reserve Bank of India (RBI) has signalled a gradual easing of interest rates with two 25 basis points cut in the benchmark repo rate— bringing the level down from 8% in December 2014 to 7.5% in April 2015—more needs to be done. Indian industry, in general, and the construction sector, in particular, is suffering from high interest costs. In the absence of any near-term worries about an overheated economy and given a benign inflation environment, many believe that it is time for the RBI and the commercial banks to further cut interest rates and stimulate much needed growth in the real economy.

So, while there are some positive signals for the India's economic growth, there are clear concerns that we are far from being on the runway for a take-off.

Textiles, Clothing and Fibre Industry

Global Scenario

In this economic backdrop, there were mixed signals from the global textile industry during 2013 and 2014. While the overall steady growth trend is apparent, there are also several structural changes taking place. To throw some light on this, let us look at the numbers.

The global apparel market, which is the primary end-user segment for the entire textiles value chain, was around US\$ 1,146 Bn in 2013 and is estimated around US\$ 1,200 Bn in 2014. This overall market is growing at 5% CAGR and is estimated to reach US\$ 2,110 by 2025. This growth in market size in value terms can be attributed to growing population, increasing per capita consumption globally.

The apparel industry constitutes ~1.8% of the World GDP. EU27, US, China and Japan together constitute almost 75% of the total market. China is expected to be the biggest consumer of apparel in 2025 with a market size of US\$ 540 Bn. Table 1 lists apparel consumption by leading countries.

Table 1: Global Apparel Market Consumption (US\$ Bn)

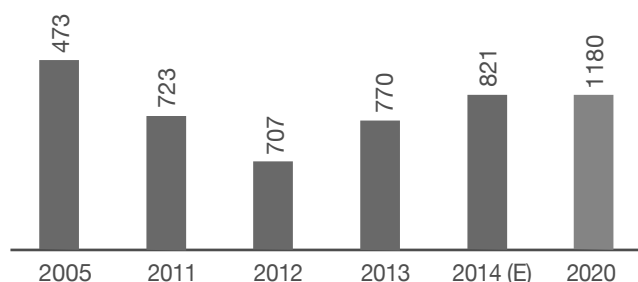
S No	Region	2013	2025	CAGR
1	EU-27	355	440	2%
2	US	230	285	2%
3	China	165	540	10%
4	Japan	110	150	2%
5	Brazil	60	100	5%
6	India	46	200	12%
7	Russia	45	105	8%
8	Canada	30	50	4%
9	Australia	25	45	5%
10	Rest of the world	80	195	8%
Total		1,146	2,110	5%

Source: CII Knowledge paper released at Texcon 2014

India is the fastest growing market and is expected to become the 3rd biggest apparel market in the world by 2025 with a total market size of around USD 200 Bn as per the CII report. Per capita consumption of apparel in India was US\$37 in 2013 and around US\$40 in 2014. This is the lowest per capita consumption among all the major countries and is expected to increase with the improvement in overall economy in India. To put these figures in context, per capita consumption of apparel in 2013 in other regions is Global Average – 163, China – 122, USA – 725, Japan – 885 and Australia – 1131

Given that consumption centres for apparel are in different regions compared to production centres, there is a flourishing world trade that supports the global apparel industry. In fact, world trade in textile and apparel grew in 2014 and is estimated to be US\$821 Bn. The overall trade is expected to grow at a CAGR of 6.6% up to 2020 and reach US\$1,180 by the end of this decade.

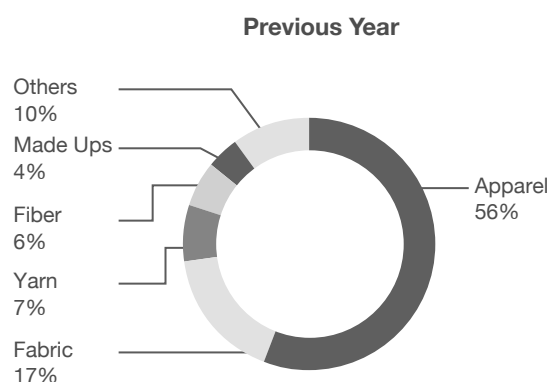
Chart G: Global Textile and Apparel Trade (US\$ billion)



Source: UN Comtrade, WTO, Wisedge Analysis

In terms of categories, apparels continue to be the largest segment in global textiles and apparel trade with a share of 56%; while fabric accounts for 17%; yarn and fibre is 7% and 6% respectively; while made-ups ins 4% (see chart H). However, in terms of growth in the period between 2005 and 2013, the fastest category was fibre with a CAGR of 9.4%, followed by apparel (CAGR: 6.8%); made-ups (CAGR: 6.4%); yarn (CAGR: 5.1%); and fabric (CAGR: 4.1%).

Chart H: Sector-wise break up of Global Textile and Apparel Trade (2013)



Source: UN Comtrade, CII Knowledge Report

Imports of Textiles and Apparel

Import demand for textiles and apparel at the global level continues to be driven by the advance economies of USA and EU. Together, they continued to account for 52% of global imports. Japan, also has a high share of 7% and imports grew at a fast pace of 9% during 2005-2013. Table 2 lists textiles and apparel imports for various countries over the last eight years.

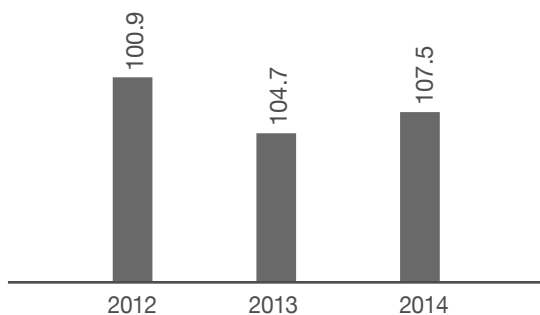
Table 2: Textiles and Apparel Imports (US\$ billion)

Country	2005	2010	2011	2012	2013	CAGR (2005-13)
USA	97	100	108	108	131	4%
China & Hong Kong	55	57	65	67	69	3%
Germany	36	48	57	50	62	7%
Japan	27	33	41	42	54	9%
The United Kingdom	31	33	37	31	39	3%
France	25	28	31	28	31	3%
Italy	21	26	30	25	29	4%
Spain	14	18	20	17	20	5%
The Netherlands	9	12	15	14	16	8%
Russian Federation	2	9	11	13	12	25%
Rest	154	235	308	313	308	9%
Total	473	598	723	707	770	6%
* EU27	196	233	269	235	270	4%

Source: UN Comtrade

US Imports: After a slight drop in 2012, US apparel and textile imports have been growing steadily every year. In calendar year (CY) 2014 the total US textile and apparel imports grew by 2.6% over the previous year. The domestic US market for textiles and Apparel was healthy during 2014. Domestic mill production grew around 3.5% in 2014, which was higher than import growth. There has been a trend towards promoting domestic production and import growth has been affected. The market demand is expected to continue growing steadily in 2015, but there will be greater impediments to imports some easing out of cost arbitrage opportunities with domestic players improving operational cost. So while opportunity for exports to USA persists, competition continues to get cut throat not only amongst exporting countries but from a stronger domestic production base.

Chart I: US Textiles and Apparel Import



Source: OTEXA

Table 3 illustrates that even though China is the largest import partner for US, due to a variety of reasons including increased domestic costs, the exchange rate appreciation of the Yuan compared to the dollar, and environment related cost increments, China's import growth to USA has reduced in 2014. In fact, Vietnam and India are growing much faster. They are also looking to diversify from Bangladesh in recent times due to social compliance issues. Hence, going forward the opportunity for India and Vietnam should increase to further penetrate US markets.

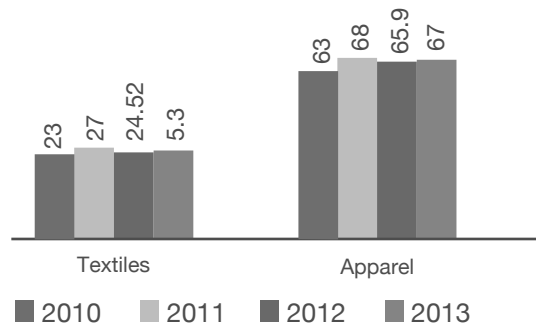
Table 3: US Textiles and Apparel Imports (Leading countries)

SN	Export Country	2013	2014	% Growth	% Share
1	China	41,675	41,820	0%	39%
2	Vietnam	8,772	9,955	13%	9%
3	India	6,299	6,717	7%	6%
4	B'Desh	5,105	5,005	-2%	5%
5	Indonesia	5,230	5,065	-3%	5%
6	Mexico	4,650	4,775	3%	4%
7	Total	104,725	107,460	3%	68%

Source: OTEXA

EU Imports: EU is also a major import market constituting 35% of global textile and apparel trade. EU imports had declined in 2011 and 2012, which was the major reason for the contraction in global trade. Of the 2% total growth in textiles and apparel imports of EU28 countries, 3.3% was on account of textiles, while 1.6% was driven by apparel.

Chart J: EU T&A Imports- (EURO bn)

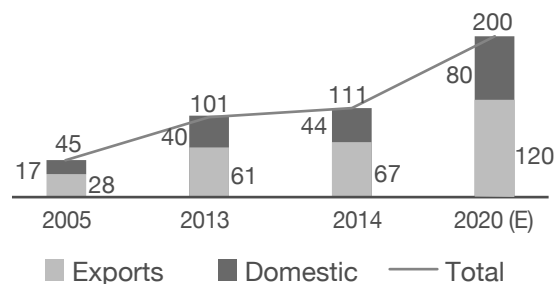


Source: Eurostat, (data for EU 28)

Indian Textile and Apparel Market Overview

The size of the Indian textile and apparel industry is estimated to reach US\$ 200 Bn by 2020 from an estimated size of US\$ 111 Bn in 2014. It is expected to grow at a CAGR of 10.3% from 2014 to 2020 to reach US\$ 200 Bn, on account of growth emanating from both the domestic and export markets. The size of the export market is expected to reach US\$ 80 Bn from estimated US\$ 44 Bn in the corresponding period. Whereas, the size of the domestic market is estimated to reach US\$ 120 Bn by 2020 from US\$ 67 Bn (E) in 2014.

Chart K: Indian Textile and Apparel Industry Size & Projections (US\$ bn)

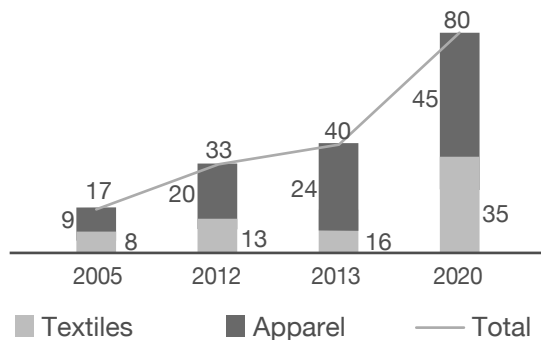


Source: Ministry of Textiles, secondary sources & Wisedge Analysis

India Textile and Apparel Export Market

With a 5% share of global textile and apparel trade, India has emerged as the second largest exporter of textile and apparel in 2013. The Indian export market is expected to grow at a CAGR of 10.5% between 2014 and 2020 to reach US\$ 80 Bn. Chinese and other major countries exports are facing challenges in terms of higher wages, political instability, high inflation, currency appreciation and concerns over workplace conditions, India is likely to attract more business in years to come.

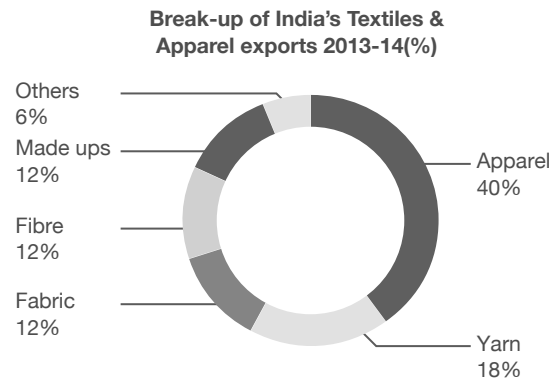
Chart L: Textile and Apparel Exports of India (US\$ bn)



Source: Ministry of Textiles, UN Comtrade & Wisedge Analysis

Apparel and yarn are the largest export categories for India. Apparel contributes about 40% of India's textile exports, followed by yarn at 18%. Fibre, Fabric and made-ups contributed to 12% of the exports each. With more focus on "Make in India" and export of value added finished products, overall exports are expected to increase further for apparel and home textiles etc.

Chart M: Category wise Exports



Source: DGFT, Ministry of Commerce, Wisedge Analysis

Table 4: Category wise Growth of India's T&A Exports (USD Mn)

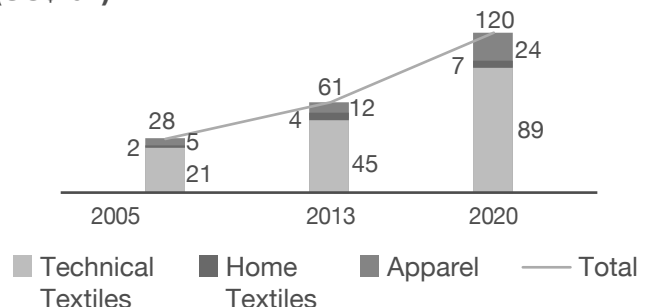
SN	Categories	2012-2013	2013-2014	2014-15 (E)	Growth in last 1 Yr	Growth in last 2 Years
1	Apparel	12,962	15,001	16,663	11%	29%
2	Made Ups	4,039	4,457	4,661	5%	15%
3	Fabric	696	890	1,041	17%	50%
4	Yarn	4,169	4,654	4,588	-1%	10%
5	Fiber	9,590	10,570	8,326	-21%	-13%
6	Others	1,738	1,903	2,168	14%	25%
7	Total	33,195	37,475	37,447	0%	13%

Source: DGFT, Ministry of Commerce, Wisedge Analysis

Category wise break up of India's export in textile and apparel shows that overall exports has increased by 13% in last 2 years. Overall Exports in 2014-15 are almost same as previous year mainly due to decreasing trend of cotton fiber exports out of India. Apparel exports in 2014-15 have increased by 11% over 2013-14 and by 29% over 2012-13. This is mainly due to increased focus on value added exports and change in exchange rates. Made up exports have grown by 15% in last 2 years. Fabric exports have also increased by 50% over last 2 years and this is mainly due to increased exports of fabric to countries like Bangladesh and Vietnam for converting into apparel. As can be observed there is a good demand for finished products and the Company is also focussing on exports of value added items.

Domestic market scenario in Textile and Apparel:

Chart N: Textiles and Apparel Domestic Market (US\$ bn)



Source: Ministry of Textiles, UN Comtrade & Wisedge Analysis

The Indian domestic market is expected to reach US\$ 120 Bn by 2020 from US\$ 61 Bn in 2013. As per Images yearbook report 2015, the market size for Apparel In India in 2014 was around ₹ 2,49,000 crores. As the USD exchange rate has changed a

lot over last 1 year the market size at current exchange rate of 1 USD = ₹ 63 is lower in terms of USD but in terms of ₹ it has grown in 2014 by around 10. Increasing demand for apparels is due to increase in per capita consumption, rising disposable incomes, rising fashion consciousness, internet and smart phone growth in smaller cities, growth of organized retail and e-commerce etc.

Outlook

The Indian textile industry has the potential to double itself in size over the next 6-7 years. Among the major competing nations, China is losing its competitive advantage in textile mainly on account of increasing labor costs, appreciating Yuan, rising power costs, focus on domestic market and also due to conscious strategy to move towards higher value additions industries.

Other major exporting countries like Pakistan and Bangladesh are facing geo-political issues. In this scenario all major export markets like USA, Europe, Japan and Australia are increasingly looking to shift a large portion of their sourcing pie. India is well placed to fill this gap since its entire major costs like cotton, yarn, power, wages, dyes and chemicals are today globally competitive. In addition, the government also has been supportive for the industry and in order to unlock the complete potential of India, more efforts are needed from the industry as well as the government.

A 'Make in India' campaign covering 25 sectors, including the textile and garment industry, has been unveiled by the Prime Minister in the presence of big names from the corporate world of India and abroad at a ceremony in New Delhi.

The 'Make in India' scheme also puts in place the logistics and systems to address in a timely manner queries of potential investors. At present, the Government of India allows 100% foreign direct investment (FDI) under the automatic route in the textile sector, subject to all applicable regulations and laws, which effectively backs the make in India program for the textile and garment industry.

Under the 'Make in India' initiative, investment opportunities for foreign companies and entrepreneurs are available across the entire value chain of synthetics, value-added and specialty fabrics, fabric processing set-ups for all kinds of natural and synthetic textiles, technical textiles, garments, and retail brands.

Technology Up-gradation Fund Scheme (TUFS): This scheme, which was launched by the Ministry of Textiles on April 1, 1999 has given major thrust for the sector. SIDBI is the nodal agency for the SSI in the textile and cotton ginning and pressing sector. This Scheme aims at making available funds at competitive rates to the domestic textile industry for technology up-gradation of existing units as well as to set up new units with state-of-the-art technology so that its viability and competitiveness in the domestic as well as international markets may enhance.

The Cabinet Committee on Economic Affairs late in August 2014 gave its approval for continuing the TUFS during the 12th Plan period with a major focus on power looms in accordance

with the Budget announcement for the financial year 2013-14.

The total budget outlay for continuation of the scheme will be about ₹ 11,900 crore, out of which ₹ 2,400 crore was allocated for 2013-14. The scheme is one of the flagship schemes of the Ministry of Textiles and has helped the industry to garner investments of ₹ 2,430 crore. The scheme is expected to generate 11.5 % annual growth in volume terms in cloth production and 15% in value exports by increasing domestic value addition and technological depth and by enhancing the global competitiveness of textile products to generate an additional employment to 15.81 million workers.

Concerns of the sector:

The sector continues to face certain concerns, which need to be ironed out by companies in the industry and the government working in tandem. Some of the issues are highlighted below.

Preferential tax regime: The textile sector has not got its due under the new Foreign Trade Policy (FTP) despite it being one of the largest employment providers in country. According to cotton textiles export promotion council or (TEXPROCIL) the industry faces the challenges of high tariffs barriers on account of preferential tariff arrangements. Duty sops of 2% only were granted to the mainstream cotton textile products, while higher rates were given for handlooms, carpets, coir products under the merchandise exports from India scheme (MEIS).

Further, man-made textile industry which is highly capital intensive and the only sector capable of attracting FDI has been discriminated against vis-à-vis the cotton industry. The sector which can help the government achieve its ambitious target has not been mentioned in the list of items granted liberal MEI'S benefits under the FTP announced on the first of April.

MMF textiles that contributes ₹ 7000 crore as taxes and holds high potential has been given lower reward in the FTP's new scheme. For Europe and the US, MMF products have been given lower incentives as compared to cotton textiles.

Further, the benefits for promoting exports to major emerging markets for MMF textiles such as Latin America, Far East and African countries have been completely stopped in the new FTP without giving the sector's exporters any scope for adjustment.

Import of second hand machinery: Import of second-hand textile machineries is hitting the local textile industry. Many old machines are imported, into the country, which are more than 10 years old, particularly in the weaving segment. With the global textile industry moving out of the Western world, mills are looking to dump machinery into markets like India.

Rigid and dated labour laws: The current labour laws have been a major reason behind the inability of the sector to expand and acquire global scale. This is specifically valid for 'cut and sew' operations, where the labour involvement is maximum compared to other steps of the manufacturing value chain.

Hence, in order to attract large-scale investments, acquire global scale and bring the Indian sector at par with other

competing countries, there is an immediate need to review the labour laws to make them investor and labour friendly. Ideally the 44 labour laws, most of which were drafted in the earlier part of the last century, need to be repealed and replaced by one, or at best a few, user-friendly law(s) suited to the conditions of the 21st century.

Lack of economies of scale: Lack of economies of scale is a major issue in Indian textile and apparel manufacturing sector. Countries like China and Bangladesh have developed large production set-ups, whereas smaller units, which lack economies of scale and have a low level of technology, dominate the Indian textile sector. Due to lack of large manufacturing capacities Indian manufacturers are unable to cater to large orders and become globally competitive.

Business Strategy

Alok Industries ('Alok' or 'the Company') is primarily an integrated business operation with a presence across the entire value chain of cotton and polyester. The business continues to leverage opportunities to optimise financial returns but gaining from its integrated operations and presence across the value chain. In addition, the Company has expanded its markets with a customer base that spans across global territories. This integrated diversified model provides the opportunity to adjust production and sales across product segments according to independent market fluctuations.

Essentially, business growth is driven by the following levers:

- Preferred Vendor status with **leading Global Brands & Retailers** and established relationships
- Critical supplier for buyers due to **Quality, Cost & Delivery (QCD)**
- **Economies of scale** provides competitive advantage
- **Forward and backward Integration** leading to sustained margins
- **Wide range of products** across different market segments
- In-house product development and designing strength
- State-of-the-art manufacturing facilities with world class infrastructure viz., captive power plants, reverse osmosis ETP, housing colonies, fire brigades, training centers, etc.

Apart from the diversification in product and markets, there are two essential characteristics of the Company's business model – focus on value added products and reaping benefits of creating global scale of operations, which are essential to compete in the global market place and leverage opportunities to create long term value.

Creating the manufacturing and operations facilities of such scale and product diversity has entailed large scale investments, much of which has been financed by debt. In addition, economic conditions in the last few years have been such that the regular operations have also warranted exposure to credit terms and requirements of working capital in line with the scale of operations.

Consequently, while the Company has created and developed the requisite foundation to leverage global market opportunities and embark on an accelerated growth path, Alok is today, having to deal with a financially leveraged balance sheet. This is a natural phase of such investment led growth objectives. There is always a time lag between creating infrastructure and generating sufficient returns from the investments incurred. Today, Alok Industries is in this phase and there are certain important strategic decisions that have to be implemented in this interim period.

The focus is on reaping maximum benefits from existing assets and developing capital structures that minimise finance costs. Therefore, the Company is now implementing a management system that continuously stresses on maximising Return on Capital Employed (ROCE) across different layers and sectors of the Company's business operations. In addition, there are active efforts at reducing the cost of debt and deleveraging the balance sheet. On a specific note, there is a concerted effort at developing innovative financial structures to dollarize its debt and secure low cost international finance that is hedged against currency fluctuations by the Company's growing exports.

In a bid to further diversify the business risks and leverage market opportunities, the Company had also invested into certain new initiatives that were in addition to its core textiles manufacturing operations out of India.

This included acquisition of Mileta, a Czech Republic based integrated textiles player; UK based retail venture called 'Store Twenty One' through its associate Grabal Alok (UK) Limited; Indian retail operations through "H&A" Stores; and real estate investments. Across all these businesses, the focus is on enhancing value and exploring opportunities to strategically monetise the assets to deleverage the balance sheet.

The Company has already initiated steps to exit from its non-core businesses. In this context, the Company has already closed its domestic retail (H & A) business by shutting down the stores set up across India. It has also got traction in selling material portions of its commercial real estate units, which were located in Mumbai.

The Company is continuing its efforts to sell majority of its non-core assets in the next financial year and use the proceeds to reduce debt.

EPBG Backed Long Term Export Advance

Given the liquidity crunch and the high costs of servicing debt, the Company has been focusing on undertaking several initiatives for financial restructuring of business transactions. During the current financial year, in line with this objective, the Company has worked on securing Export Performance Bank Guarantee (EPBG) based long term export advance.

The Reserve Bank of India has allowed exporters to raise long term export advance for a maximum period of 10 years vide their Notification RBI/2013-14/597 A.P. (DIR Series) Circular No. 132 dated May 21, 2014

Under the said circular SBI as Authorised Dealer has approved and assessed EPBG facility of USD 1.63 bn which will be serviced through exports over a period of 10 years. The banks have been supportive of the Company's efforts at improving

liquidity and reducing cost of debt. So, under this scheme, the banks are setting up an EPBG Limit of USD 1.63 bn for a period of 10 years to facilitate exports by Alok. The export advances so received is being used for repayment of funded facility of respective banks as per the provisions of the aforesaid RBI notification.

The Commitment under the EPBG Facility and the Export Advance Facility shall reduce over the 10-year period as per a pre-agreed reduction schedule .

The proposed facility would help Alok address the following:

- Improve the competitiveness of the company in the global market by reducing its financial cost (expected annual saving in the initial year of about USD 100 mn)
- Repayment obligations would get rationalised as per the Company's cash flows, thereby reducing the stress of cash flow mismatches and ensure gradual reduction in debt of the Company, making the Company financially sound

Till date, the Company has received sanctions of EPBG of about USD 1.5 Billion and has received export advances amounting to USD 475 Million. The Company expects to complete the entire EPBG scheme by August / September 2015

Extension of Financial Year

The Company's current financial year was also extended over 18 months from 1 October 2013 to 31 March 2015. For all analysis and related data in this management and discussion section current year refers to the 18 month period ended 31 March 2015, while the previous year refers to 18 months ended 30 September 2013.

While last year ended 30 September 2013, the 18 month extension of the financial year was due to a need to give to the effect of High court order for merger of few domestic subsidiaries into one subsidiary, namely Alok Infrastructure Limited, the current year ended 31 March 2015 extension of 18 months was due to mandatory provision of New Companies Act, for closing the financial year in March. The Company has received the requisite approval of the Registrar of Companies for the same.

While there are some seasonal differences, the two periods are comparable as they both include 6 quarter performances.

Financial Performance (Stand Alone)

The stand alone results reflect developments in the core textiles business of the Company. Table 5 gives the summarised profit and loss statement of the Company in the current year compared to the previous year.

Table 5: Summarised Profit and Loss Account

PROFIT & LOSS ACCOUNT	18 M/ENDED 31 MAR 2015		18 M/ENDED 30 SEPT 2013		% Change
₹ Crore		% to Sales		% to Sales	
Domestic Sales	18,269.12		14,808.84		23.37%
Export Sales	3,861.60		5,108.91		(24.41%)
Net Sales	22,130.72		19,917.75		11.11%
Other Income	224.82		341.96		(34.26%)
TOTAL INCOME	22,355.54		20,259.71		10.34%
Material Costs	14,662.67	66.25%	11,399.72	57.23%	28.62%
People Costs	412.59	1.86%	434.68	2.18%	(5.08%)
Other Expenses	2,009.87	9.08%	2,658.44	13.35%	(24.40%)
OPERATING EBIDTA	5,270.41	23.81%	5,766.87	28.95%	(8.61%)
Depreciation	1,461.21	6.60%	1,360.77	6.83%	7.38%
OPERATING EBIT	3,809.20	17.21%	4,406.10	22.12%	(13.55%)
Interest & Finance Costs	3,251.16	14.69%	2,542.45	12.76%	27.87%
OPERATING PBT	558.04	2.52%	1,863.64	9.36%	(70.06%)
Exceptional Items	0.00		463.74		(100.00%)
PROFIT BEFORE TAX	558.04		1,399.90		(60.14%)
Less: Provision for Taxes	209.28	0.95%	479.74	2.41%	(56.38%)
PAT	348.76	1.58%	920.16	4.62%	(62.10%)

Note: Current Year – Oct 2013 to March 2015 (18 months); Previous Year – April 2012 to Sept 2013 (18 months); all parameters qualified by the term 'operating' refers to figures without exceptional items

Profit and Loss Analysis

- **Net Sales** was ₹ 22,130.72 crore in the current period against ₹ 19,917.75 crore in the previous period – a growth of 11.11%. While domestic sales picked up and grew by 23.37% from ₹ 14,808.84 crore in the previous year to ₹ 18,269.12 crore in the current period, Exports reduced from ₹ 5,108.91 crore in the previous period to ₹ 3,861.60 crore in the current period.
- **Other Income** also reduced to ₹ 224.82 crore in the current period against ₹ 341.96 crore in the previous period. Much of the other income booked is interest income on current investments and other non-operating income
- **Material Cost** was ₹ 14,662.67 crore in the current period – an increase of 28.62% over ₹ 11,399.72 in the previous period. As a percentage of sales, material cost increased from 57.23% in the previous period to 66.25% in the current period. Much of this increase is due to change in product mix and pricing pressure in a very competitive market. The Company has focused on managing other expenses and people costs to offset this cost increase to some extent.
- **People Costs** were well managed. In absolute terms, it reduced by (5.08%) from ₹ 434.68 crore in the previous period to ₹ 412.59 crore in the current period. People cost to net sales ratio decreased from 2.18% in the previous period to 1.86% in the current period.
- **Other Expenses** was ₹ 2,009.87 crore in the current period – (24.40%) reduction over ₹ 2,658.44 crore expensed in the previous period. As a percentage of net sales, it decreased from 13.35% in the previous period to 9.08% in the current period.
- **Operating Earnings Before Interest, Depreciation, Tax and Amortisation (EBIDTA)** decreased by 8.61% to ₹ 5,270.41 crore in the current period against ₹ 5,766.87 crore in the previous period. In an environment with intense competition, operating EBIDTA margins decreased from 28.95% in the previous period to 23.81% in the current period.
- **Depreciation** is ₹ 1,461.21 crore in the current period increasing by 7.38% over ₹ 1,360.77 crore in the previous period. As a percentage of sales it has reduced marginally from 6.83% in the previous period to 6.60% in the current period.
- **Interest** expense increased by 27.87% from ₹ 2,542.46 crore in the previous period to ₹ 3,251.16 crore in the current period. As a percentage to sales, interest and financing expenses increased from 12.76% of sales for the previous period to 14.69% of sales for the current period.
- **Exceptional Items** comprise mainly of marked to market unrealised gains or losses from foreign exchange derivative transactions. There was no such items in the current period against a loss of ₹ 463.74 crore in the previous period.
- **Profit After Tax (PAT)** was ₹ 348.76 crore in the current year against ₹ 920.16 crore in the previous period.

Key Ratios

Table 6 gives the key financial ratios for Alok Industries, as a stand-alone entity

Table 6: Key Ratios (Alok Industries – Stand Alone)

Particulars	31-Mar-15 (18 Months) (Audited)	30-Sept-13 (18 Months) (Audited)
Profitability Ratios		
Operating EBITDA (%)	23.81%	28.95%
Operating Profit Before Tax Margin (%)	2.52%	9.36%
Profit After Tax Margin (%)	1.58%	4.62%
Return on Net worth (%)	4.29%	12.06%
Return on Capital Employed (%)	12.62%	14.52%
Balance Sheet Ratios		
Net Debt (Long Term) - Equity	1.22	1.61
Net Total Debt - Equity	2.72	2.98
Net Total Debt / EBITDA	4.19	3.94
Current Ratio	1.58	1.49
Coverage Ratios		
PBDIT/Interest	1.62	2.27
Debtors Turnover - Days	186	136
Inventory Turnover - Days	205	158

Note: Current Year – Oct 2013 to March 2015 (18 months); Previous Year – April 2012 to Sept 2013 (18 months); all parameters qualified by the term ‘operating’ refers to figures without exceptional items

- Operating EBIDTA Margin has reduced from 28.95% in the previous year to ₹ 23.81% in the current year. With pricing pressure and product mix changes material costs to sales increased significantly, While there were reductions in people and other costs it could not completely offset the higher material costs and margins were affected.
- Operating PBT Margin was 2.52% in the current year, down from 9.36% in 2011-12.
- Return on Net worth (RONW) decreased from 12.06% in the previous year to 4.29% in the current year.
- Operating Return on Capital Employed (ROCE) was 12.62% in the current year, down from 14.52% generated in the previous year.
- Debt to Equity for long term loans decreased from 1.61 in the previous year to 1.22 in the current year. Total debt to equity ratio reduced from 2.98 in the previous year to 2.72 in the current year
- Operating EBIDTA/Interest indicates the Company's ability to service its debt costs through profits. Operating EBIDTA/Interest decreased from 2.27 in the previous year to 1.62 in the current year
- Current ratio was 1.58 in the current year compared to 1.49 in the previous year
- Inventory turnover increased from 158 days in the previous year to 205 days in the present year. Debtor turnover increased from 136 days in the previous year to 186 days in the current year.

Cash Flows

Table 7 gives the abridged cash flow statement of the Company

Table 7: Summarised Cash Flow Statement

PARTICULARS	18M 31 MAR 2015	18M 30 SEPT 2013
Net cash generated / (used) in operating activities	3169.10	(271.73)
Net cash used in investing activities	(531.34)	(725.18)
Net cash / (used) in generated from financing activities	(3273.73)	1184.34
Net flow	(635.97)	187.43
Cash and cash equivalents		
At the beginning of the period	729.14	541.71
At the end of the period	93.17	729.14
Net increase in cash and cash equivalents	(635.97)	187.43

Textiles Business: Operations Review

Overview

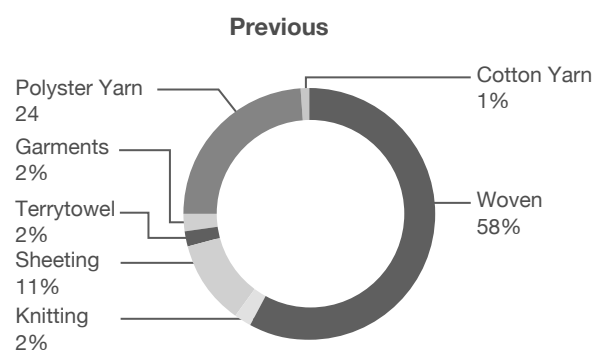
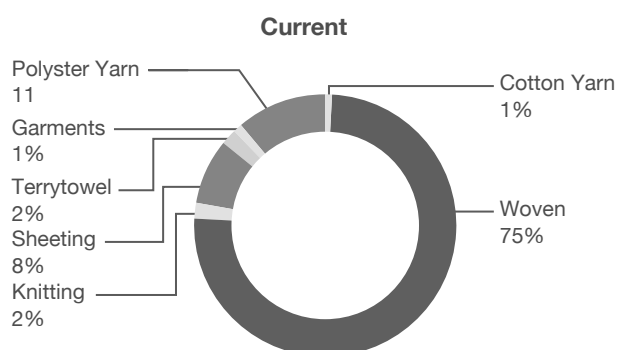
The key to Alok's textiles operations is the integrated business model that has a presence across the entire value chain for both cotton and polyester fibre products. This allows for diversity in product lines and market segments. In addition, there is continuous focus on value added products like technical textiles.

Chart O gives the relative share of the different product groups in the Company's total stand alone sales. It is evident that given market conditions, the focus has been on selling products that are on the higher end of the value chain. The share of woven

fabric has increased from 58% in the previous year to 75% in the current year. The shares of both polyester and home textiles, including sheeting and terry towels, have reduced – polyester from 24% in the previous year to 11% in the current year and home textiles from 13% in the previous year to 10% in the current year. The other product groups have limited sales and their shares in total sales have remained stable. Alok's Sales distributed by product groups is given in table 8

Table 8: Snapshot of Alok's product-group wise sales distribution

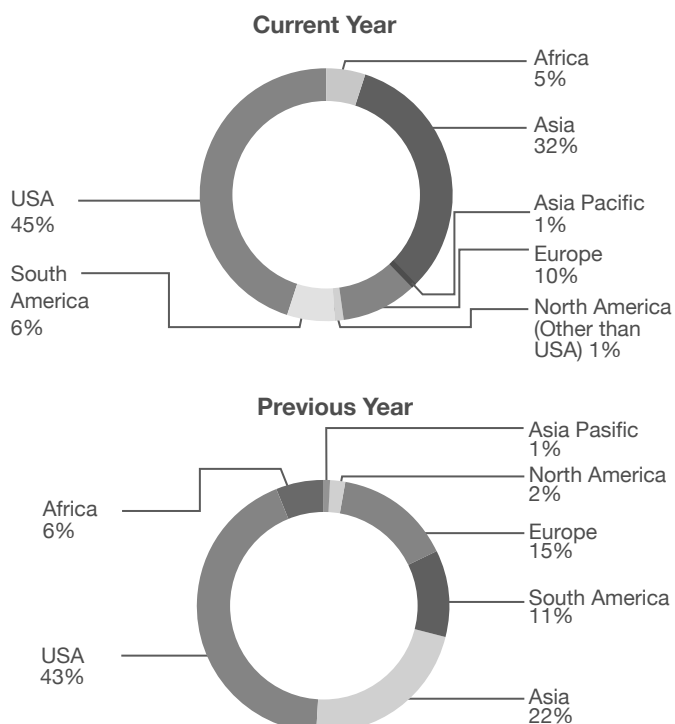
PARTICULARS	18 M YTD ENDED 31 MAR 2015				18 M YTD ENDED 30 SEP 2013				CHANGE
	LOCAL	EXPORT	TOTAL	% TO TOTAL SALES	LOCAL	EXPORT	TOTAL	% TO TOTAL SALES	
COTTON YARN	185.27	149.80	335.06	1.51%	152.88	109.09	261.96	1.32%	27.90%
APPAREL FABRIC									
Woven	15,929.71	644.02	16,573.73	74.89%	10,639.78	857.81	11,497.58	57.73%	44.15%
Knitting	227.11	138.83	365.94	1.65%	248.65	191.28	439.93	2.21%	(16.82%)
	16,156.82	782.86	16,939.68	76.54%	10,888.43	1,049.09	11,937.51	59.94%	41.90%
HOME TEXTILES									
Sheeting Fabrics	16.48	1,741.18	1,757.66	7.94%	12.66	2,127.73	2,140.39	10.75%	(17.88%)
Terry Towel	19.16	487.68	506.84	2.29%	17.67	436.36	454.03	2.28%	11.63%
	35.64	2,228.86	2,264.50	10.23%	30.33	2,564.09	2,594.42	13.03%	(12.72%)
Garments	26.93	151.87	178.80	0.81%	66.97	214.86	281.83	1.41%	(36.56%)
Polyester Yarn	1,864.47	548.21	2,412.68	10.90%	3,670.24	1,171.78	4,842.02	24.31%	(50.17%)
TOTAL	18,269.12	3,861.60	22,130.72	100%	14,808.85	5,108.91	19,917.75	100%	11.11%

Chart O: Share of different product groups in total sales

Chart P: Share of different regions in Alok's exports

Exports

While global trade in textiles and apparel is steadily growing, competition has become severe and demand was affected in advanced economies especially in Europe. Alok continued to maintain strong relations with global brands and developed the exports market maintaining a fine balance between growth, margins and domestic opportunities. Consequently, export sales reduced by 24.41% to ₹ 3,861.60 crore in the current year. However, with a share in total sales of 17.45%, exports remains important for Alok's overall business strategy. In fact, going forward there will be renewed emphasis to grow exports.

Chart P plots the share of different regions in which Alok's exports continued to perform well but given market dynamic its share in Alok's total sales reduced to 26% in 2012-13. USA remains the dominant market with 45% share in the current year, up from 42% in the previous year. The share of Asia has increased from 23% in the previous year to 33% in the current year, while that of Europe has reduced from 15% in the previous year to 10% in the current year.



Cotton and Cotton Yarn

Alok has strong long term relationships and experience in sourcing and selling raw cotton. In the initial phase, the Company expanded its weaving and knitting facilities, and followed it up with backward integration into spinning to produce yarn. Today, based on market conditions, Alok flexibly decides on which products in the value chain to sell in the external market and which to use internally for further processing.

During the current year, given a softening of raw material prices, Alok strategically reduced external cotton sales and focused on further internal processing to sell products higher up the value chain. The size of raw cotton and yarn operations is much larger than what the external sales capture as a large portion is processed further ahead in the value chain.

In terms of external sales there was 21.2% growth in the domestic market in the current year when compared to the previous year. Export growth was even higher at 37.3%. However, in terms of volumes the absolute sales were low compared to the total revenues of the Company.



Table 09: External Raw Cotton and Yarn Sales

PARTICULARS	EIGHTEEN MONTHS ENDED 31 MAR 2015				EIGHTEEN MONTH ENDED 30 SEPT 2013			
	LOCAL	EXPORT	TOTAL	% TO TOTAL SALES	LOCAL	EXPORT	TOTAL	% TO TOTAL SALES
Cotton & Cotton Yarn	185.27	149.80	335.06	1.51%	152.88	109.09	261.96	1.32%
Total	185.27	149.80	335.06	1.51%	152.88	109.09	261.96	1.32%

For Alok, since major portion of consumption of cotton yarn is captive, external sales remains low, accounting for only 1.51% of the total sales of the company for the 18 months period ended 31 March 2015. The external sales are mostly opportunity based and hence may vary from year to year.

Overview of Cotton Spinning Division

- Alok has the largest spinning facility in India at a single location (Silvassa); with capacity of 411,840 ring spindles (60,000 tons) and 5,680 open end rotors (20,000 tons) to support in-house apparel fabric and home textiles segments
- 85%-90% of the cotton yarn manufactured is utilized for captive consumption by the apparel fabric (woven & knit fabrics) and home textile (Bed Sheets & Towels) divisions
- External Sales by cotton spinning business constituted about 1.51% of total revenue of the company for the 18 months period ended September 30, 2013
- Procurement of raw cotton at right price and during harvest remains crucial. Looking at the volatility in the prices of cotton in the recent past, the company tries to maintain an inventory holding to the extent of 3-4 months requirement matching its average sales order book which is also 3-4 months for apparel fabrics, home textiles and garments. Thus, it has in-built risk mitigation for cotton price fluctuation. Further, due to its integrated operations cotton constitutes about 27% – 28% of its fabric selling price and thus has limited impact on the overall operations

Cotton and Yarn – Key Dynamics

Product mix	<ul style="list-style-type: none"> • Compact yarn, dyed yarn, blended yarn
Target segment	<ul style="list-style-type: none"> • Primarily captive consumption by fabric and home textiles division (85% to 90%)
	<ul style="list-style-type: none"> • 10% to 15% of cotton yarn production is sold to traders, distributors and manufacturing units in the domestic as well as export markets
Highlights	<ul style="list-style-type: none"> • Largest spinning capacity at a single location in India (at Silvassa)
Industry Scenario	<ul style="list-style-type: none"> • Cotton prices have steadily reduced over the course of the current year. While during October 2013, the price of Shankar 6 variety was around ₹ 45,000 per candy, by March 2015, it has reduced to levels of around ₹ 35,000 per candy and prices are expected to stay stable or on the lower side • Due to decline in global cotton production and steady increase in consumption, the cotton consumption is expected to exceed production in CY 2015/16 for the first time in last five years. Though this will result in a decline in the global cotton stock levels, given the carry-over stocks, the same will continue to remain at elevated levels of ~136.8 million bales which will be equivalent to stock to consumption ratio of ~92% as compared to ~99% which is expected at the end of CY 2014/15 • The global cotton production is expected to decline by ~5.2% while the cotton consumption is expected to increase by ~4.5% in CY 2015/16, driven by low cotton prices. The cotton production is expected to decline across all the major cotton producing countries led by China and USA due to decline in acreage as farmers shift to alternate crops. The increase in cotton consumption is expected to be driven, mainly by China, on account of decline in the cotton prices which has improved the competitiveness of cotton with respect to synthetic fibers, improving growth prospects for some of the developed countries which are also the largest consumer of textile products and lagged effect of low cotton prices in CY 2014/15 • India will consolidate its position as the world's largest cotton producer in CY 2015/16 due to relatively lower decline in the cotton production as compared to that in China, which was the world's largest cotton producer till CY 2013/14 (source: ICRA Research)
	<ul style="list-style-type: none"> • Cotton trading and yarn operations of the company are opportunistic; primarily to benefit from the market conditions
	<ul style="list-style-type: none"> • Due to captive consumption and a small component of external sales, competition from other spinning mills and cotton traders is not applicable to the company
Current Capacity	<ul style="list-style-type: none"> • 60,000 tons ring spun yarn • 20,000 tons open-ended yarn

Apparel Fabric

Fabric is at the core of Alok's business. Its competitive strength is derived from the wide range of products both woven and knitted. In the woven space the product range extends from 20 counts to 120 counts, in various finishes, Yarn dyed shirting /Dyed / Printed, while in knitted, too, there are several types of qualities like single jersey / double jersey / jacquard/

dobby/ yarn dyed etc. Alok continued to make the most of the opportunities in India and abroad for fabrics. However, for both woven and knitted fabrics exports were lower in the current year compared to the previous year. In the domestic market there was good growth in woven fabrics but for knitted fabrics sales were down.



Table 10: Woven and Knitted Fabric Sales

PARTICULARS	EIGHTEEN MONTHS ENDED 31 MAR 2015				EIGHTEEN MONTH ENDED 30 SEPT 2013			
	LOCAL	EXPORT	TOTAL	% TO TOTAL SALES	LOCAL	EXPORT	TOTAL	% TO TOTAL SALES
WOVEN	15,929.71	644.02	16,573.73	74.89%	10,639.78	857.81	11,497.58	57.73%
KNITTING	227.11	138.83	365.94	1.65%	248.65	191.28	439.93	2.21%
Total	16,156.82	782.86	16,939.68	76.54%	10,888.43	1,049.09	11,937.51	59.94%

Overview of Apparel Fabric Division

- Alok has one of the largest woven and knitted fabrics capacities in the country – 186 million meters p.a. for woven fabrics and 25000 tons p.a. for knitted fabrics. It also outsources bulk of its fabric requirement.
- Key business segment for the company contributing 76.5% of total revenue for the 18 months period ended September 30, 2013 with revenue of ₹ 16,939.68 crore
- Integrated operations, large scale, state of the art weaving , knitting & processing, in-house designing & product development team, wide range of products, differentiates the company in this segment
- The company manufactures finished fabric primarily against orders which helps mitigate the risk of unsold inventory, while the pricing takes into account prevailing market price of raw material and foreign currency rate for exports
- Strong backward integration by way of in-house cotton and blended yarn production helps minimize the impact of any adverse fluctuations in yarn prices
- The apparel fabric division has a highly diversified and reputed customer base which includes garment exporters, garment brands, wholesalers, traders and retailers in domestic market, garment companies in international market and institutional sales to armed forces, government companies and corporates for work wear and technical textiles both in domestic and international markets
- Company has identified technical textile products and high-end yarn dyed fabric as its major growth areas

In the apparel fabric market, Alok is focusing particularly on three segments to achieve growth –

fashion wear, yarn dyed fabrics and work-wear & technical textiles.

Fashion-wear: Alok has a wide range both in knits and wovens. There is a wide variety of fabric types include twills, voiles, cambrics, poplins, Lycra poplins gabardines, jacquard, satins, matte, canvases, butta dobby, lawn, yarn dyed and many more. The products are distributed through different channels each of which is specific to a certain customer group. The Company also sells directly to certain customers. The end customers include Indian exporters, converters in international countries, domestic garment manufacturers, retailers and traders, and institutions.

Yarn-Dyed Fabric: This is a sub-segment within fashion-wear, which includes fabric used for fashionable shirting and high end women's wear. The products are of high quality and command premium prices in the market.

Technical Textiles: These are speciality fabrics that have special functionality and are used in industrial, aerospace, military, marine, medical, construction, transportation and high technology applications. Some examples of these fabrics are fire retardant fabric, water repellent and soil release fabric

and high visibility fabric. These products offer high margins on account of their specialised characteristics. The technical textiles market in India is still in infancy and fairly unorganised. It is also highly import intensive. The Indian technical textiles market, which is estimated to be US\$12.4 billion in 2013 is expected to grow at a CAGR of 9.4% to reach US\$23 billion by 2020.



Some of the technical fabrics manufactured by the company and their industry uses are given below:

Special Finishes	User Industry
Flame Retardant	Fire Brigades, Oil Refineries, Petrol Pumps, Welding
Stain Guard	Hospitality, Machine shop floor, Workshop
Water Repellent	Defence, Coal Mines
Anti-Bacterial Finish	Health Care
High Visibility	Construction & Infrastructure, Aviation
Anti-Static	Industrial
Insect Repellent	Defence, Hospitality
Camouflage prints with Infrared Ray Resistant Finish	Defence



Apparel Fabric – Key Dynamics

Product mix	<ul style="list-style-type: none"> Diversified product mix with cotton / cotton blends of yarn-dyed / piece- dyed fabrics in knits / woven for daily wear, fashion wear, industrial or technical textiles
Target segment	<ul style="list-style-type: none"> Garment manufacturers in India who in turn sell in the domestic as well as export markets Brands, wholesalers, retailers and traders in the domestic market Garmenting manufacturer and large format retailers in export market Institutions/corporate customers for technical textiles & work wear
Highlights	<ul style="list-style-type: none"> Among the largest players in the country in the apparel fabric segment Alok's largest revenue segment (about 76% in year ended) Enjoys relatively high EBIDTA margin on account of high level of integration (in-house spinning, weaving, designing and processing capacities) Increasing share of value added yarn dyed fabric and technical textiles Diversified and quality conscious customer base
Industry Scenario	<ul style="list-style-type: none"> India's fabric production is estimated at 63,000 million sq. meters and growing at a CAGR of about 5% Strong growth prospects as the Indian fabric industry is becoming increasingly more competitive globally The current market size for technical textiles in India is estimated at close to USD 12 billion (₹ 74,000 crore) with demand estimated to grow at 10% CAGR to reach about USD 27 billion (₹ 1,67,000 crore) by FY 2020
Peers	<ul style="list-style-type: none"> The unorganized / largely fragmented nature of industry makes estimation of market share difficult Major players in the organized segment include Arvind Limited, Vardhman Textiles, Nahar group, Loyal Textiles, Pratibha Syntex Limited, Maral Overseas Limited, etc and Unorganised players
Current Capacity (p.a.)	<ul style="list-style-type: none"> Woven Fabric Capacity of 186.0 million meters Knitting capacity of 25,000 tons Yarn Dyeing Capacity of 15,000 tons

Home Textiles

Having entered the made-ups segment in 2003, Alok recorded strong growth in these products primarily through exports. In a short span of time, the Company has achieved market leadership in these products. Customer segments are differentiated for these products. It is sold to overseas and domestic retailers and brands. The Company has successfully created a large and prestigious customer base establishing relationships with global brands, retailers and private brands in the Home Textiles segment.

The products include sheet-sets, duvets, comforters, blankets, quilts and bed-in-a-bag in prints, solids, embroidery, sateen's, flannel, Jacquards, Dobbies, yarn-dyed from 180 TCs to 1000 TCs. It also manufactures curtains.

Within this segment, Alok added terry towels to its portfolio with the commissioning of a new plant in 2009-10. This product has grown steadily.

While the domestic market is growing, the business is primarily focused on developed markets whose sheer market size is very high. Even though there was a demand contraction in these markets due to the economic slowdown, Alok continues



to register strong export growth. This bears testament to the fact that there is consolidation in the global market where end customers is focusing on a few reliable good quality suppliers. And, the fact that Alok has built strong relationships with major international customers.

Home textiles sales were lower in the current year for exports, when compared to the previous year. And, export is the primary segment. Domestic sales grew but the base level of sales in the domestic market is still very low and for this product group, exports is the primary market.

Within home textiles, terry towels sales grew in both domestic (8.4%) and exports (11.8%), while for sheetings domestic sales growth was 30.1%, where as exports reduced by (-18.2%)

Table 11: Home Textiles Sales

PARTICULARS	18 M YTD ENDED 31 MAR 2015				18 M YTD ENDED 30 SEP 2013				CHANGE
	LOCAL	EXPORT	TOTAL	% TO TOTAL SALES	LOCAL	EXPORT	TOTAL	% TO TOTAL SALES	
HOME TEXTILES									
SHEETING	16.48	1,741.18	1,757.66	7.94%	12.66	2,127.73	2,140.39	10.75%	(17.88%)
TERRY TOWEL	19.16	487.68	506.84	2.29%	17.67	436.36	454.03	2.28%	11.63%
TOTAL	35.64	2,228.86	2,264.50	10.23%	30.33	2,564.09	2,594.42	13.03%	(12.72%)

- Alok's capacity in this segment is 150 million meters p.a. for wider width fabric and 13,400 tons p.a. for terry towels
- It has emerged amongst as the largest producers and exporters of bed linen in the country and has won several Gold trophies from Texprocil, Ministry of Textiles, Government of India
- With total sales of 2,264.50 crore for the 18 months period ended March 31, 2014, home textiles division accounts for 10.23% of overall revenues
- Integrated operations with spinning / processing capabilities enables better control over product quality and yields better margins
- Presence in the relatively high end home textiles (300 to 800 counts) product category enable higher price realisation and helps mitigate competition from other low cost manufacturing countries and domestic companies
- In home textile segment, Alok is mainly present in the exports markets (99% exports) where it faces competition from Chinese, Pakistani and Turkish manufacturers
- Established and reputed multinational clientele results in strong customer profile; periodic pricing resets to protect margins in case of increase in input costs / foreign exchange fluctuations

The major export market for home textile is USA, which is the largest consuming centre for home products in the world. The other export destinations include Europe and Australia. The company would be looking at expanding its geographical

distribution of home textile division in future. The bed linen segment with over 75% share in revenue of the home textile division is the major contributor for the division.

Home Textiles – Key Dynamics

Product mix	<ul style="list-style-type: none"> Alok produces a wide range of products in bed sheet sets, comforters, blankets, quilts, curtains and terry towels. In the 18 month period ended 31 March 2015, bed sheets accounted for close to 78% of home textiles' sale while terry towel accounted for about 22%
Target segment	<ul style="list-style-type: none"> Exports to blue chip overseas retailers and brands Exports accounting for 98.4% of overall home textiles' sales and home textiles as a product group accounted for 57.7% of total exports of Alok Domestic retailers and brands
Highlights	<ul style="list-style-type: none"> Largest domestic player in manufacturing and export of bed sheets (Received various export awards from Government of India) Amongst top four players in terry towels Strong integration – in house spinning, weaving, processing and stitching unit enabling control over end product quality and better margins
Industry Scenario	<ul style="list-style-type: none"> Global trade in Home Textiles segment is estimated at around US\$ 32 billion, accounting for about 5% of the total global textile market India with exports of USD 3 billion, currently is the largest supplier of terry towels and bed sheets Spend on home textiles is price sensitive in nature with demand vulnerable to economic slowdowns; demand shift to lower value segment within home textiles from time to time based on market conditions India's domestic consumption is presently low, however, offers great potential for growth
Peers	<ul style="list-style-type: none"> Welspun India, Trident, Indo Count Industries, GHCL, Bombay Dyeing, Hanung Toys & Textiles Ltd., etc. are some of the major Indian players in this segment International competition is from manufacturers based out of China, Pakistan, Turkey, etc.
Current Capacity	<ul style="list-style-type: none"> Wider width fabrics – 150 million meters Terry towels – 13,400 tons
Future plans	<ul style="list-style-type: none"> Company may grow the capacities of terry towels in a gradual manner

Garments

Alok's products include knitted or woven garments for ladies, gents and children, garments for sportswear, active wear, casual wear and sleepwear, garments made from fabrics like solid, mélange, yarn dyed, auto stripes, jacquards, embroidered and variety of prints like transfer prints, and block prints. While garment sales, especially for exports, show encouraging growth potential, there is fierce cost competition. Alok is therefore also looking at increasing capacities through outsourcing, either directly or through its subsidiaries to low cost operators, both in India and overseas, especially Bangladesh, where quality garments can be produced at competitive prices.

The Company is focusing on institutional sales for garment. This includes product lines like work-wear and uniforms. Garments sales were down for both the domestic as well as exports markets. This is also a reflection of the Company's focus moving away from garments.



Table 12: Garment Sales

PARTICULARS	18 M YTD ENDED 31 MAR 2015				18 M YTD ENDED 30 SEP 2013			
	LOCAL	EXPORT	TOTAL	% TO TOTAL SALES	LOCAL	EXPORT	TOTAL	% TO TOTAL SALES
GARMENTS	26.93	151.87	178.80	0.81%	66.97	214.86	281.83	1.41%
TOTAL	26.93	151.87	178.80	0.81%	66.97	214.86	281.83	1.41%

Overview of Garments Division

- Company has an installed capacity of 22 million pieces spread over three locations
- Garment division accounted for 0.8% of total sales, almost 85% of which is exported
- Going forward higher focus on institutional segment

Garments are primarily an export oriented business for Alok. Alok has a capacity of producing 22 mln pcs in-house. There is also a dedicated garmenting subsidiary Alok Apparels Pvt Limited. At present, there is no programme for capacity expansion. It is however working on expanding its outsourced vendor base to fortify regular supplies.

Garments – Key Dynamics

Product mix	<ul style="list-style-type: none"> • Alok produces a wide range of garments in woven and knits for mens, ladies and kids for fashion wear, active wear, work wear and sleep wear
Target segment	<ul style="list-style-type: none"> • Export to overseas retailers and brands • Exports accounting for 76% of overall division's sales • Domestic retailers and brands
Highlights	<ul style="list-style-type: none"> • Amongst the top 20 players in the country • Amongst top four players in terry towels • Strong integration – in house spinning, weaving, processing and stitching unit enabling control over end product quality and better margins
Industry Scenario	<ul style="list-style-type: none"> • India's garment exports is estimated at about USD 13 billion , which is about 40% of India's total textile exports of about USD 33 billion • India's major strength is in cotton garments and mainly caters to lower to medium segments • India is the fastest growing market and is expected to become the 3rd biggest apparel market in the world by 2025 with total market of Around USD 200 Bn as per the CII report. Per capita Consumption of apparel in India was USD 37 in 2013 and around USD 40 in 2014. This is expected to grow
Peers	<ul style="list-style-type: none"> • Gokaldas Exports Ltd, Shahi Exports Ltd, Bombay Rayon Fashion Ltd., Mandhana Industries Ltd., Orient Craft Ltd., Pearl Global Ltd., etc. are some of the major Indian players in this segment • International competition is from manufacturers based out of Bangladesh, Sri Lanka, Vietnam, China, etc.
Current Capacity	<ul style="list-style-type: none"> • 22 mn pieces p.a.
Future plans	<ul style="list-style-type: none"> • To focus more on value added institutional work wear segment

Polyester Yarn

With the expansion of texturising capacity and to save on the raw material cost, the Company has increased its total production capacity of POY. This round of capacity increase has been done through Continuous Polymerization (CP) route. Under the CP route, POY is manufactured from PTA and MEG.

Polyester Staple Fibre (PSF) and Partially Oriented Yarn (POY) demand is expected to grow due to rising consumption of blended and non-cotton yarns. However, in the domestic

market, there has been a significant increase in capacity and this has created intense competition.

Alok has consciously made investments on the value added side of the business and is focusing on texturised yarn, specialised yarns and fire retardant yarns. This positioning at the higher end of the polyester value chain provides the Company with necessary competitive edge. The focus is on products like Dyed Texturised Yarns, Fully Drawn Yarn and Cationic Yarn.

There was large fall in domestic and export sales of polyester during the current year, where there was severe market competition and lack of demand growth. The sales reduction was deliberately done due to the prevailing market dynamics. There is a strong correlation between oil prices and polyester prices as the principal inputs PTA and MEG are derivatives of the petroleum refining process. Oil prices, as has been stated before fell sharply especially in the second half of the current year. Consequently, polyester prices also adjusted downwards. In this market fluctuation, there were timing issues in buying raw material and actually processing it to manufacture the end product, Essentially, end product prices often reduced while one held to higher cost raw material stock because there was a natural production time lag. In the process, margins were under pressure and mistiming markets resulted in losses. So, the Company curtailed its market exposure instead of taking on the highly volatile market risks.


Table 13: Polyester Sales

PARTICULARS	EIGHTEEN MONTHS ENDED 31 MAR 2015				EIGHTEEN MONTH ENDED 30 SEPT 2013			
	LOCAL	EXPORT	TOTAL	% TO TOTAL SALES	LOCAL	EXPORT	TOTAL	% TO TOTAL SALES
POLYESTER YARN	1,864.47	548.21	2,412.68	10.90%	3,670.24	1,171.78	4,842.02	24.31%
Total	1,864.47	548.21	2,412.68	10.90%	3,670.24	1,171.78	4,842.02	24.31%

Overview of Polyester Division

- Although sales have fallen, Polyester Yarn division remain the second highest revenue generating segment for Alok after Apparel Fabric division, with sales of ₹ 2,412.68 crore for the 18 months period ended March 31, 2015, which is 10.9% of total company's revenue
- Demand scenario on long term basis is likely to be good due to increasing substitution of natural fibres
- Competition from Chinese manufacturers, large Indian peers & unorganised domestic texturisers; however Alok's large scale integrated operations and focus on finished products make it a sustainable player
- Relatively moderate EBDITA margins due to commodity nature of business; volatility in raw material (MEG & PTA) prices may affect profitability margins if not passed through adequately
- The integrated polyester business commands better ROCE as compared to integrated cotton business due to higher asset turnover and lower working capital intensity

Polyester – Key Dynamics

Product mix	<ul style="list-style-type: none"> • Partially Oriented Yarn (POY), Fully Drawn Yarn (FDY), Drawn Texturised yarn (DTY), Cationic Yarn, Polyester Staple Fibre (PSF), Master Batch
Target segment	<ul style="list-style-type: none"> • Domestic power loom weavers • Direct exports to Overseas traders, Manufacturers
Highlights	<ul style="list-style-type: none"> • Among top three polyester yarn manufacturing Company in India
Peers	<ul style="list-style-type: none"> • Competition from domestic players like Reliance Industries Ltd, Indo Rama Synthetic Ltd, JBF Industries Ltd, Garden Silk Mills Ltd, Century Enka Ltd, etc. • Competition from Chinese polyester yarn manufacturers that dominate the global polyester market with 70% market share

Industry Scenario	<ul style="list-style-type: none"> The market is undergoing a phase of correction. While the inherent long term growth trend exist, the exuberance created by rising cotton prices and rapid substitution has abated due to stabilisation of cotton prices Sharp fall in oil prices have resulted in subdued polyester pricing creating a pressure on margins There is also over-capacity in some market, especially in Asia that has had a dampening effect on prices.
Current Capacity	<ul style="list-style-type: none"> CP : 5,20,000 tons, POY/ Chips : 1,00,000 tons, DTY : 2,40,000 tons, FDY : 70,000 tons, and PSF / Cationic Yarn : 1,10,000 tons
Future plans	<ul style="list-style-type: none"> Focus on optimising the existing capacities, increasing selectively some of the value added products

Manufacturing Capacities

Table 14 gives the manufacturing capacities of the Company in different divisions.

Table 14: Alok's Capacities

Divisions	Units	Capacities p.a.
SPINNING	Tons	80,000
HOME TEXTILES		
Sheeting Fabric	mn mtrs	150
Terry Towels	Tons	13,400
APPAREL FABRIC		
Woven Fabric	mn mtrs	186
Knits	Tons	25,000
GARMENTS	mn pcs	22
POLYESTER		
Continuous Polymerisation	Tons	5,20,000
POY/Chips	Tons	(1,00,000)
DTY	Tons	(2,40,000)
FDY	Tons	(70,000)
Polyester staple fibre / Cationic Yarn	Tons	(1,10,000)

Quality, Safety, Health and Environment

At Alok, producing consistent world-class quality products is not just a business pre-requisite – it is a way of life. The Company recognises that in an era of changing demands and global competition, creating customer delight will mean producing world class fabrics – not just occasionally but every time without fail. To ensure this, quality procedures are paramount in Alok's manufacturing process. And this obsession with quality is recognised by internationally accepted certifications for the Company's work processes and quality initiatives.

The Company's management systems that ensure highest standards of quality are also integrated with its commitment to adopting best practices in health, safety and environment as well its endeavour to be a socially responsible corporate citizen.

During the year under review, Alok has continued its certification for ISO 9001:2008 (for quality), ISO 14001:2004

(for environment friendly work practices), OHSAS 18001:2007 (for health and safety) as Integrated Management System (IMS) and SA 8000 (Social Accountability). The IMS and SA 8000 is for Silvassa, Vapi and Pawane. Alok is amongst the few textile companies to have obtained the four international certificates i.e. QMS, EMS, OHSAS, SA 8000.

As part of its sustainability initiatives, the Company is deeply committed to the manufacture of organic cotton products. This has been recognised through three certificates that Alok got during the year under review: the EU Flower (an eco-certificate from the European Union); the KRAV certification for organic products; and the SWAN – a Danish eco-labelling certificate. Alok is perhaps the first Indian textile company to have been awarded these three certificates for its eco-friendly products.

The SA 8000 is a globally recognised voluntary standard that is used by employers to measure their own performance and responsibly manage their supply chains. It is grounded on the principles of core ILO conventions, UN conventions, and an ISO-style management system.

Table 15: Alok's Major product & System Certifications

Certification	Division / Plant / Location Covered
ISO 9001:2008 (QMS)	• Process House, Pawane
ISO 14001:2004 (EMS)	• Process House Vapi (Normal & Wider Width)
OHSAS 18001:2007 (Integrated Management System)	• Terry Towel, Vapi
	• Weaving, Silvassa
	• CP, POY, FDY,PSF and Texturizing, Silvassa
	• Spinning and Knitting, Silvassa
	• Embroidery, Silvassa
	• Embroidery, Mahape
	• Made Ups - Vapi
SA 8000:2008	• Process House, Pawane
Social Accountability	• Process House Vapi (Normal & Wider Width)
	• Weaving, Silvassa
	• Made Ups & Garments – Silvassa
	• Terry Towel – Vapi
	• Made Ups - Vapi
EU Ecolabel Certificate, Denmark	• Made ups & Fabrics
GOTS: Global Organic Textile Standards	• Head Office, Mumbai
	• Spinning & Knitting Division, Silvassa
	• Weaving Division, Silvassa
	• Process House (Normal & Wider Width), Vapi
	• Made-ups & Garments Division, Silvassa
	• Process House, Pawane
	• Terry Towel Division, Vapi
	• Hemming Division, Silvassa
	• Made-ups Division, Vapi
	• Embroidery Division, Silvassa
Fair Trade	• Spinning & Knitting Division, Silvassa
	• Weaving Division, Silvassa
	• Process House (Normal & Wider Width), Vapi
	• Made-ups & Garments Division, Silvassa
	• Process House, Pawane
	• Terry Towel Division, Vapi
	• Hemming Division, Silvassa
	• Made-ups Division, Vapi
OEKO Tex Standard – Product Class	• Made –ups (Product Class I & II)
I & II	• Woven & Knitted Fabric (Product Class I & II)
	• Texturized Yarn (Product Class I)
	• Cotton and blended yarn (Product Class I)
	• Terry Towels (Product Class I & II)
	• Garments (Product Class I)
NABL	• Process House Lab Normal Width, Vapi accredited for Mechanical & Chemical Testing
Lab Certification ISO 17025:2005	

In addition to the certifications detailed above and in Table 16, Alok also holds the following certifications:

- NABL Lab Certification ISO 17025:2005 for Normal Width plant, Vapi
- OE 100 standards of the Organic Exchange
- ECO CERT for trading and export of cotton
- Egyptian Cotton Certificate
- TS 16949:2009 (Automotive standard) –Polyester Plant, Silvassa
- ISO 22000 –Food Safety Managements System- at Packaging Division, Falandi, Silvassa,

In addition to the certifications, Alok's performance, especially in exports have been recognised.

Information Technology (IT)

Alok has always utilised IT as a business enabler to optimise its processes and build a competitive edge. Implementation of appropriate new technology and up-gradation of IT tools is an on-going process at Alok. The Company had already made significant investments and for much of the current financial year, the focus was on consolidating the existing systems and deriving returns for business functions.

Some highlights for the year include:

SAP application has stabilised very well and seamless through the financial year. Technical and function team worked continuously on enhancing the performance and consolidating various SAP functions.

CO module has been tested for various business divisions and unit testing results are found to be satisfactory. Final testing of some divisions and integration testing are planned. Many rounds of testing for various scenarios had to be carried out as the cost run impacts product pricing and inventory. There has also been a delay on account of unexpected resource turn over.

HR team evaluated SAP cloud offering, "SuccessFactors". ESS and "SuccessFactors" may be evaluated further during the coming year, subject to techno/commercial feasibility and ROI analysis.

BI evaluation was deferred, as the focus was more on consolidating and enhancing the already implemented standard and customised functionalities. Present deployment supports most of the BI requirements of management and we may review and evaluate BI tools, depending on the needs of business during the coming year.

Database replication using Oracle log shipping and vision software are working seamlessly. Regular data backup and above mentioned replication mechanisms ensure a very high recovery point objective (RPO) and recovery time objective (RTO).

Business Continuity Planning (BCP) is another focus area. There have been some challenges in keeping the Bangalore DR server online due to various technical constraints including stable connectivity. We are working closely with VISION software, IBM and Sify to resolve this. As of now DR server at Bangalore is about 2-3 hours behind production server. Replication on DR server at Bangalore has been consistently near online. With this, we have achieved 3 levels of data security-regular back up on cartridges, online replication of data at Vapi at database level and online replication of data at Bangalore using "DoubleTake" application. This is working well though constant monitoring is required to ensure consistency.

Datacentre is equipped with best class storage area network configured at highest redundancy level to ensure maximum data security. Adequate power backup with multiple UPS systems configured in auto-failover mode provide uninterrupted power supply for the infrastructure. Access to datacentre is controlled through face reader devices. The Company has replaced the old IBM SAN storage (IBM DS4300) with a new storage, as DS4300 is declared to be out of support/life. The new storage has been sized to have enough storage for another 5 years.

Communication

All the locations are connected through dedicated multiprotocol label switching (MPLS) virtual private networks (VPNs). Key locations have been provided with redundant links to ensure 100% uptime. In addition to Video Conferencing facility and PRI links across all locations, application for real-time, unified communications and collaboration has also been deployed for effective communication.

Human Resource

One of the major reasons for the sustained success of Alok Industries is our focus on the Management of Human Resources. The top management is convinced that the close to 20,000 of our employees are the most valuable asset in the organization. They fully recognize the fact that with a well-motivated and energized work force, is .key to achieving company goals and objectives .

The Human Resources Management in Alok is concerned with the people's dimension in the organization, facilitating the competencies and retention of skilled force, developing management systems that promote commitment, practices that foster team work and flexibility, making employees feel valued and rewarded.

The operative functions of Alok HR are to maintain health, safety, welfare & social security of employees to ensure hygienic workplace, integration of employment relations, grievance & discipline.

The objectives of Human Resources Management at Alok are

to be ethically & socially responsible to the needs of the society while minimizing the negative impact of such demands upon the organization, to recognize the role of Human Resources Management in bringing about organizational effectiveness, to maintain the department's contribution at a level appropriate to the organization's needs, to assist employees in achieving their personal goals in a manner that their personal goals enhance the individual's contribution to the organization.

The foundation of our HR ethos starts from our scientific recruitment methodology and our design of remuneration and promotion policies. The recruitment policy ensure that it has the right number & kind of people at the right place and at the right time, capable of effectively and efficiently completing those tasks that help the organization achieve its overall objectives. We have a sustained recruitment of fresh talent from the leading Textile institutes of the country and we are very proud of the fact that in almost all of them, we are on their list of preferred employers. The HR team at Alok has been successfully driving the Induction program to reduce the anxiety level of new employees and introduce them to the organization.

A very high proportion of these fresh recruits have stayed with us for long periods and has grown with the Organisation. Our remuneration package also has a large in- built flexibility to suit individual needs and preferences. There is a constant drive to keep the motivation levels of employees high and let them take part in operating decisions. The feeling of ownership in our staff has been the main reason of our success in keeping our attrition rates one of the lowest in the industry.

The backbone of our entire HR is the culture of meritocracy. We have a very robust Performance Management system, which identifies and rewards exemplary performance and fast tracks high performers. The system also helps in analyzing the skill gaps in employees and addressing these gaps effectively through well designed training programs, both in-house and in reputed institutes. Training process at Alok includes - identifying training needs & implementing training programs. Training in Alok is a process of teaching employees the basic skills they need to perform their jobs or developing additional skills. The company's training programs support it's strategic goals. Also training in Alok is a part of larger issue of performance management. Hence, Alok follows each step in training process completely and thoroughly because each builds on the other. Alok believes "A well constructed training program is worth the required effort"

Employee welfare is an integral part of Alok and ranges from arranging farewell parties, parting gifts, festival celebrations etc., annual get togetherness to adherence to mandated provisions of law.

The company believes in and strongly promotes team work rather than individual excellence. A lot of stress is given to develop employees skills in teamwork. Top management is specially trained in team building, team nurturing and cohesive teamwork.

Strategic Investments

In addition to the core textiles operations with manufacturing facilities in India, the Company has diversified its business scope by making investments into subsidiaries and associate companies. While some of these investments were to reach out to new markets, others were made to fill a gap in the complete textile industry value chain. The outlays in the realty business were a pure opportunistic financial investment.

While working on enhancing the value of these businesses, the focus has been on strategic monetisation of these assets. The Company is not only ceases infusing further capital into these businesses but is actively working on selling its stake and recovering investments made to repay debt.

Subsidiaries - Textiles

Mileta

Through its wholly owned subsidiary Alok Industries International limited, Alok has a 100% stake in Mileta, a Czech based manufacturing company. Mileta's facilities are located in Horice (Weaving and Administration) and Cerny Dul (processing) in the Czech Republic.

Mileta provides benefits from its technology skills in yarn-dyed fabrics and hemming that results in higher per unit realisations and new product lines. The Mileta range of products includes handkerchiefs, high quality shirting, batistes and voiles, complete line of functional table linen and bed linen. Their brands including 'Mileta', 'Erba', 'Cottonova', 'Wall Street' and 'lord Nelson' have been introduced in the Indian domestic market. Alok also leverages Mileta's extensive marketing network in Europe, Russia and Africa to promote its existing products.

The poor market conditions in Europe affected the Company's business for most of the year.



H&A: Domestic Retail

The Company's domestic retail operations are today carried out through the cash and carry company called 'Alok H&A Ltd', a 100% subsidiary of the company and Alok Retail India limited. In the initial phase, the Company expanded its H&A chain of stores at a rapid pace. After revaluation of the business strategy, the Company has actively worked on winding up the stores developed and in effect exited the business.

Store Twenty One: UK Retail

Alok Group presently has a stake of 99.87% in Grabal Alok (UK) Ltd, the company that operates the 'Store Twenty One' chain of value-format stores in UK. Today, the chain comprises 221 stores, which offer a value proposition for quality apparel for women, men, and children. They also sell accessories like artificial jewellery, shoes, leather bags, and toys, which complement the apparel range.

The economic slowdown and low consumer confidence in UK severely affected this business. It witnessed a slowdown in sales and consequently generated operational losses. The Company is reviewing its strategy for the business. The Company is actively looking at options to exit this business given an appropriate valuation

Subsidiaries - Real Estate

The Company has also made investments in the realty sector. The focus in this business is to create value from the existing investments and monetise the assets in an opportunistic manner. Already, with the projects reaching different levels



of completion, Alok is starting to work on monetising these assets and utilising the cash to retire debt. The details of the property and the position of the sale out of the real estate assets is given in table 16 & 17:

Table 16: Details of Real Estate Properties

S. No.	Particulars	Location	Type	Area
1	Peninsula Business Park	Lower Parel, Mumbai	Commercial Property	551915 sq. feet (18 floors)
2	Ashford Centre	Lower Parel, Mumbai	Commercial Property	60,000 sq. feet (8 floors)
3	Ashford Royale (50% stake)	Nahur, Mumbai	Residential Property	1.1 mn. sq. feet
4	Land at Silvassa	Silvassa	Industrial Land	443.96 acres
5	Land at Vapi (50% stake)	Vapi	Residential/commercial	35.93 acres
6	Peninsula Corporate Park	Lower Parel, Mumbai	Commercial Property	36,068 sq. feet (1.5 floors)

Out of the above portfolio real estate, the Company has achieved good progress in monetizing deals worth ₹ 1,129.51 crores as per the details given in table 17 below.

Table 17: Sale position of Real Estate Assets

S. No.	Particulars	Details of Sales	Total Consideration	Total Amount Received	Balance to be Received
1	Peninsula Business Park	18 floors	898.86	846.56	52.30
2	Ashford Centre	8 floors	104.32	42.32	62.00
3	Land at Silvassa	64.18 acres	47.88	47.88	-
4	Peninsula Corporate Park – Peninsula Tower	36068 sq, feet	78.45	12.45	66.00
Total			1,129.51	949.21	180.30

Consolidated Results

Tables 18, 19, and 20 give the profit and loss highlights, balance sheet highlights and company wise sales of Alok as a consolidated entity

Table 18: Consolidated Profit and Loss Summary

(₹ In crores)

PROFIT & LOSS ACCOUNT	18 MONTH ENDED 31 MAR 2015		18 MONTH ENDED 30 SEP 2013		% Change
	% to Sales		% to Sales		
Net Sales	24,153.06		21,388.36		12.79%
Other Income	467.20		412.00		19.54%
TOTAL INCOME	24,620.26		21,800.36		12.94%
Material Costs	15,897.32	66.10%	12,219.71	57.31%	30.10%
People Costs	762.89	3.17%	733.73	3.44%	3.97%
Other Expenses	2,323.50	9.66%	3,201.76	15.01%	(27.43%)
OPERATING EBIDTA	5636.55	23.44%	5,645.16	26.47%	(0.15%)
Depreciation	1,521.78	6.33%	1,418.20	6.65%	7.30%
OPERATING EBIT	4,114.77	17.11%	4,226.96	19.82%	(2.65%)
Interest & Finance Costs	3,512.72	14.61%	2,813.62	13.19%	24.85%
OPERATING PBT	602.05	2.50%	1,413.34	6.63%	(57.40%)
Exceptional Items	(131.00)	0.54%	634.38	2.97%	(79.35%)
PROFIT BEFORE TAX	471.05	1.96%	778.97	3.65%	(39.53%)
Less: Provision for Taxes	216.74	34.33%	484.32	100.30%	(55.25%)
PAT	254.31	1.06%	294.65	1.38%	(13.69%)
Minority Interest	3.95		2.07		
PAT After Minority Interest	258.26		296.72		(12.96%)

Table 19: Consolidated Balance Sheet Summary

(₹ In crores)

	CONSOLIDATED BALANCE SHEET	
	AS AT 31.03.2015	AS AT 30.09.2013
Share holders' Funds	3,642.37	3,485.15
Non current liabilities	12,144.79	10,935.14
Current liabilities	14,162.57	12,548.53
TOTAL EQUITY AND LIABILITIES	29,949.73	26,968.83
Non current assets	10,539.90	12,232.94
Current assets	19,409.83	14,735.89
TOTAL ASSETS	29,949.73	26,968.83

Table 20: Company wise sales in total Consolidated Sales

		(₹ in Crores)	
Sr. No.	Name of the company	18 Months 31.03.2015	18 Months 30.09.2013
1	Alok Industries Limited	20,793.35	18,959.79
2	Alok Singapore Pte. Ltd.	733.72	715.09
3	Alok Infrastructure Limited	7.23	0.63
4	Alok International, Inc.	255.42	291.09
5	Alok International (Middle East) FZE	507.39	0.70
6	Grabal Alok (UK) Limited	1,390.75	1,154.19
7	Mileta, a.s.	308.00	210.16
8	Aurangabad Textiles & Apparel Parks Limited	43.27	28.94
9	New City Of Bombay Mfg. Mills Ltd.	113.93	27.78
		24,153.06	21,388.36

Sustainable Business Practices and Corporate Social Responsibility (CSR)

Alok has always strived to be a leader in sustainable integrated, textile solutions delivering value through environmentally and socially responsible textile products. In addition to its commitments towards quality and health, safety and environment there are certain specific initiatives that related to sustainability and social development.

Ethical Fibre

At the first stage of its value chain is procurement of cotton, which is the Company's predominant fibre utilisation. Increasingly, the world is witnessing the promotion of ethical fibres like

- Organic cotton, which is cotton grown without the use of external synthetic agricultural inputs like fertilizers and pesticides and helps conserve the environment from the harmful effects of the use of hazardous agro chemicals
- Fair Trade cotton fibre
- Better Cotton, which involves educating the cotton growers to adopt the Best Management Practices in cotton cultivation for more sustainable yields
- Recycled cotton and polyester for our state of the art spinning plant.

A shift from conventional fibre use to these ethical variants significantly reduces the environmental impact of growing conventional, resource intensive cotton and help marginal cotton growers economize on farm expenses.

Alok has led from the forefront amongst Indian companies adopting use of such fibres. The Company is GOTS certified and a member of Better Cotton Initiative (BCI) quality manufacturer supplying Organic and Better Cotton textile

products to the world's leading brands in Europe and the US. As a Fair Trade (FLO) certified company, Alok values the fair price concept across the value chain. The Company has taken initiative and been instrumental in a few of the well-known Organic and Fair Trade cotton projects in India and abroad.

Similarly Cotton made in Africa (CMiA) is another important variant of sustainable cotton type Alok is into and supplies its quality products to sophisticated markets in parts of Europe.

Sustainable Manufacturing

In addition, Alok remains committed to sustainable manufacturing operations, which also implies use of newer and cleaner technology, use of eco-friendly dyes for all processing, treatment of post-dyeing effluents, installation of reverse osmosis (RO) units to recover fresh water from the treated one and installation of Selective Catalytic Reduction (SCR) systems in the exhaust of the DG sets to reduce oxides of Nitrogen.

The Company encourages the use of recycled products and has set up a recycled polyester unit with 20 tons/ day of capacity to recycle polyester and polyester yarn waste, flakes and PET bottles to produce 100% recycled polyester fibre.

Social Development

Alok has been regularly working on improving the quality of life in communities where it operates by adopting measures that benefit the local population in terms of direct and indirect employment. In the process, the Company has also played an active role on providing training and employment to local tribal women.

The other area where Alok has been active is education. Advanced Academy for Development of Textile Technologists (AADTT), is an Alok initiative in collaboration with a leading

dyes manufacturer. The endeavour here is to provide value added training in textiles to give them a meaningful professional fulfilment in working in the textiles sector and buck the trend of fresh textiles graduates leaving the industry for careers in other sectors like IT.

The cultural transformation was slow and painful, but as a result of relentless efforts, the initiative has become a roaring success in a span of 4 years. A team of top executives of these two companies visit the campuses of ten leading textile institutes all over India, select the top twenty students and take them through a rigorous program of academics and practical exposure for a span of one year to turn them into future leaders in textiles. They get to work with the state-of-the-art machinery with the guidance from leading luminaries in the industry in India and abroad. They qualify for the diplomas and certificates awarded by top forums like AATCC and SDC and a few of them even get to present their papers in conferences in USA and Europe. The success of this initiative is borne out by the fact that today, all the top textile companies in India compete with each other to recruit the products of this Academy year after year.

Alok has also established a school - Alok Public School - in Silvassa, which already has a student base

of close to 500 and is a much coveted school in the township and surrounding areas. The School has been granted the much sought after CBSE affiliation and also recognized as a 'New

Generation' CBSE school for its innovative methods and practices.

The School has stepped into its fifth academic year with Class IX being the senior most. The first batch of Class X appeared in the AISSE in March 2015. Education in the elementary level is predominantly activity based.

Risks & Risk Mitigation

The Company's business is exposed to both external and internal risks. Your Company has incorporated processes and systems to proactively monitor, manage and mitigate these risks along with appropriate review mechanisms.

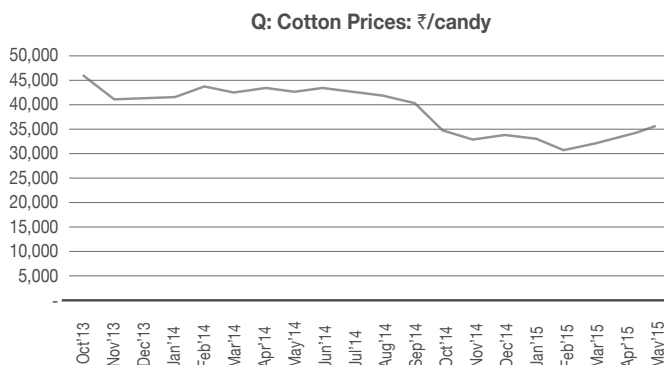
Some of the broad risks that affect the Company are discussed below:

Raw Materials

Our textile manufacturing business and operations are significantly dependent on the timely availability and price of raw materials used in our production process. The primary raw material for our textile operations is cotton and PTA or MEG.

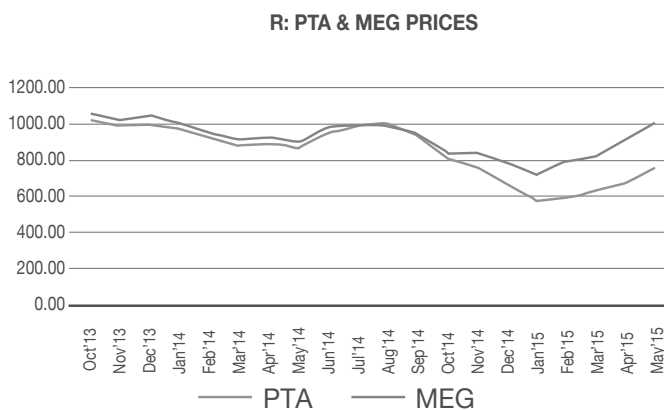
Being an agricultural commodity, there can be fluctuations in price of cotton due to certain factors, including the changing weather conditions. Further, pricing of cotton is significantly affected by government policies and regulations. Governmental policies affecting the agricultural industry (such as taxes,

tariffs, duties, subsidies, import and export restrictions on agricultural commodities and commodity products) can influence industry profitability, the planting of certain crops versus other uses of agricultural resources, the location and size of crop production, whether unprocessed or processed commodity products are traded and the volume and types of imports and exports. However, as the chart Q below shows cotton prices have stabilised in the last few months and the over all trend over the year under review has been negative.



Further, for our polyester yarn operations, PTA and MEG are the major raw materials that are required in manufacturing POY and polyester yarn. Being petrochemical products, prices of PTA and MEG are linked to naptha prices and ethylene prices, respectively, and fluctuate in line with fluctuations in the crude oil prices.

As chart R below shows, there has been a negative trend in PTS and MEG prices from the middle of the current year in line with falling crude prices. What is important to note that final polyester prices are directly impacted by reducing PTA and MEG prices. So there are risks of holding on to high price inventory in the present environment given the physical lag in the production process.



In case of both cotton and polyester, Alok endeavours to keep inventory levels in line with the sales order book.

Power & Fuel

Adequate and cost effective supply of electrical power is critical to our operations, which entails significant consumption of electrical power and gas as a fuel. Currently, we have power plants at Vapi and Silvassa supplying to our manufacturing facilities at Silvassa and Vapi, which provide us with part of our energy requirements for our manufacturing facilities and also serves as our back-up electricity supply. Furthermore, we also source a certain portion of our power requirements from the relevant State Electricity Board. Operation of these power plants entails certain risks associated with typical power plant operation, including, but not limited to, industrial accidents such as explosions or fire damage. There are risks associated to the cost of power generation and grid power.

We are also dependent on the availability of water from the States of Gujarat and Maharashtra for use in our manufacturing facilities. Lack of sufficient water resources or an increase in the cost of such water used in manufacturing facilities could adversely affect our business, financial condition and results of operation.

Markets

The Company relies significantly on export of products, especially home textiles to the United States and Europe. Accordingly, there are risks associated to fluctuations in the demand of textile products manufactured by us in the United States and Europe. The textiles market in the United States and Europe may be affected by a number of factors outside our control, including local and economic conditions, changes in demand and supply for products we develop, or comparable to those that we develop, and changes in government regulations. Any adverse change in the demand for our products in these countries may have a negative impact on our business, financial condition and results of operations. We are widening our market exposure to other countries including ones in Asia to spread the export market risks apart from also aggressively penetrating the domestic Indian market.

Information Technology Risk

Ever increasing dependency on information technology systems on business process, communications, MIS, controls and customers/vendors management make it most important to minimise disruptions of information technology systems. Unavailability of application or loss of data results in impairment of business and production processes.

We have been continuously adapting necessary actions

for risk avoidance and limitation of damage to changing circumstances.

The company runs a centralised database application with data centre at the corporate office with best in class IT infrastructure. Unavailability of application, arising out of hardware or network failure due to internal and external factors, has very high impact on the business. Redundancy across all critical points such as storages, database/application servers, network and other devices, power, air-conditioning etc. ensure necessary availability of business-critical application systems and access to business-relevant data.

Though adequate power backup is provided through multiple UPS systems and external power backup of the building, prolonged major power failures may force us to shut down the system landscape.

WAN links which are most critical for locations to connect to the main data centre is under managed services and very high availability SLA. Major locations have adequate backup link to minimise dependency on one service provider.

Well trained resources carry out preventive, detective and corrective measures of the landscape on 24x7 basis including fire and other physical security aspects using fire alarms/CCTV surveillance systems.

Infrastructure, WAN and LAN are secured through secured MPLS links, firewalls, well defined role based authorisations for system and applications access and enterprise wide end point security.

Financial Risk

The large debt burden has had an impact on the business. During the course there has been pressure also from rising interest costs. The implications are as follows:

- a substantial portion of our cash flows will be used towards repayment of our existing debt, which will reduce the availability of cash flows to fund working capital, capital expenditures, particularly for our ongoing expansion projects, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future or renegotiate or refinance our existing indebtedness on terms favorable to us may be limited;
- fluctuations in market interest rates will affect the cost of our borrowings, as all our indebtedness is subject to floating rates of interest;

- we may be restricted from making dividend payments to our shareholders under certain circumstances;

The Company has embarked on a phase of consolidation where the focus is now on cost reduction, operational efficiency and deleveraging of the balance sheet. We are also planning on dollarizing most of the domestic debt in order to save on the interest cost and repay the new debt over a longer tenure. Proceeds from the ongoing realty sales are being used to retire debt. These activities should ease up cash flows in the medium term.

Currency Risk

Changes in currency exchange rates influence our results of operations as we have foreign debt as well as exports and imports. Although our widespread operations and diverse markets provide a natural hedge to our foreign currency exposure, significant fluctuations in currency exchange rates between the Indian rupee and the foreign currencies, particularly the U.S. dollar, may adversely affect our results of operations.

The Company has a robust treasury division to monitor currency movements regularly and take appropriate measures where needed.

Outlook

At a macro-level, the US economy is improving and India, too, is getting some traction. In this milieu, demand conditions for textiles and apparel is expected to improve.

Alok has the potential to leverage several opportunities in this market environment. First, there is scope to increase its share in global apparel and textiles trade with increasing costs in China and growing compliance issues in Bangladesh, diverting the global buying community to focus more to sourcing from countries like India. Second, other markets like Brazil, Russia, Turkey, Poland, Chile,

China, Australia etc. have increased their imports in the recent past and become attractive markets for India's textile and apparel exports. Third, India's free trade agreement with Japan offers very good opportunity to tap the large Japanese market for apparel in the coming years. Fourth, the proposed trade agreement with EU, if fructified, will give India competitive advantage in exports to EU and boost India's exports,

Clearly, in the coming financial year, Alok will stress on increasing its exports where the cash cycle is shorter. For

the domestic market, endeavour will be to increase own manufactured production where margins are higher and reduce the proportion of outsourced supplies.

Apart from focusing on topline growth, the initiatives to curtail middle line costs will have an impact on margins. These efforts are being taken in a focused and concentrated manner. The successful EPBG backed exports advance programme has provided some breathing time for repayments, releasing essential liquidity for enhancing business operations. It shall also bring down the cost of finance. The banks have been very supportive of the Company's efforts in regaining its business impetus. They are in the process of providing additional corporate loans and working capital finance for the Company in the next financial year.

Overall, one believes that the revival path at Alok has begun and the performance in the next financial year will be in line with the long term strategic plan and will be a firm step in deleveraging the balance sheet and fostering growth.

Internal Control and Adequacy

The Company is committed to maintaining strong internal control systems as a part of efficient corporate governance. The Company has set up processes to continuously monitor the effectiveness of the internal controls with an objective to provide to the Audit Committee and Board of Directors an independent, objective and reasonable assurance on the adequacy and effectiveness of the organization's risk management, control and governance processes. The Company has established internal control systems commensurate with the size and complexity of its business. The Company has a strong and independent internal audit function consisting of professionally qualified accountants with external audit firms monitoring the internal control process at each of the manufacturing location. The Company periodically issues accounting guidelines to ensure uniformity of financial statements and has 'Standard Operating Procedures' to cover activities like purchasing, selling, authorization of expenses etc.

Significant observations made by the internal audit team and external audit firms and follow up actions are reported to the Audit Committee, which then reviews the effectiveness of the Company's internal control systems and tracks the implementation of audit recommendations.

There is also a methodology for formulation of internal control policy and guidelines for areas of weakness identified during internal audit or by management.

Cautionary Statement

The management of Alok Industries has prepared and is responsible for the financial statements that appear in this report. These are in conformity with accounting principles generally accepted in India and, therefore, include amounts based on informed judgments and estimates. Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. These have been based on current expectations and projections about future events. Wherever possible, the management has tried to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and

words of similar substance in connection with any discussion of future performance. Such statements, however, involve known and unknown risks, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs and may cause actual results to differ materially. The management cannot guarantee that these forward-looking statements will be realised, although it believes that it has been prudent in making these assumptions. The management undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise

Report on Corporate Governance

Report on Corporate Governance

Company's philosophy on Code of Corporate Governance

Alok Industries Limited ('Alok' or 'the Company') is committed to creating long term value for all its stakeholders – shareholders, employees, customers, associates, partners and the wider community. This commitment is driven by the Company's strong value system, which promotes the highest standards of integrity, professionalism and execution. The implementation of this vision is supported by commensurate processes and systems that define the governance structure of the Company.

The essence of the Corporate Governance practices across Alok is the balance struck between independent decision making and effective business controls. This is achieved through the continuous promotion of high degree of transparency through comprehensive disclosures and a robust review mechanism. The entire system is governed by effective Board oversight. This enables management and operational independence and flexibility within an established framework of policies, standards and processes. Essentially, at Alok promotion of efficient Corporate Governance practices is not only a statutory requirement but an important business enabler that helps realize long term goals while optimizing stakeholder returns.

Board of Directors

Composition of the Board

As on March 31, 2015 the Board of Directors of the Company ("Board") comprises of 11 directors. The Board has five Executive Directors, of which the Executive Chairman (upto 30.03.2015), Managing Director and Joint Managing Director are also promoter Directors. In addition, the Board has six non-executive Directors, consisting of three independent Directors and three are nominees of various financial institutions. The Securities and Exchange Board of India (SEBI) has amended clause 49 effective October 1, 2014, which does not consider nominee directors as 'independent directors'. The Company is in the process of inducting independent Directors on the Board in order to comply with the condition of composition of the Board of Directors subsequent to October 1, 2014.

Number of Board Meetings

The Board of Directors met six times during the period from October 1, 2013 to March 31, 2015 on November 23, 2013, February 13, 2014, May 15, 2014, August 14, 2014, November 13, 2014 and February 11, 2015. The maximum gap between any two meetings was less than 4 months.

Directors' attendance record and Directorship held

Table 1: Composition of the Board of Directors for the period ended October 1, 2013 to March 31, 2015.

Name of the Directors	Category	Attendance Particulars			No. of other Directorships and Committee membership / Chairmanships in other Indian public companies		
		Number of Board Meetings		Last AGM	Other Directorships	Committee	
		Held	Attended			Memberships	Chairmanships
1. Mr. Ashok B. Jiwrajka ¹ (Executive Chairman)	Promoter, Executive	6	5	Yes	9	-	-
2. Mr. Dilip B. Jiwrajka (Managing Director)	Promoter, Executive	6	6	No	10	-	-
3. Mr. Surendra B. Jiwrajka (Joint Managing Director)	Promoter, Executive	6	5	Yes	10	-	-
4. Mr. Ashok G. Rajani	Non- Executive, Independent	6	4	No	-	-	-
5. Mr. K. R. Modi ²	Non- Executive, Independent	1	-	No	-	-	-
6. Mrs. Thankom T. Mathew (Nominee of Life Insurance Corporation of India.)	Non- Executive, Non-Independent, Nominee ⁶	6	6	No	-	-	-
7. Mr. Timothy Ingram	Non- Executive, Independent	6	4	No	-	-	-
8. Mr. M.V. Muthu (Nominee of IFCI Ltd) ³	Non- Executive, Non-Independent, Nominee ⁶	1	1	No	-	-	-
9. Mr. J. Samuel Joseph ⁴ (Nominee of Export Import Bank of India)	Non- Executive, Non-Independent, Nominee ⁶	5	4	No ⁷	2	2	-

Name of the Directors	Category	Attendance Particulars			No. of other Directorships and Committee membership / Chairmanships in other Indian public companies		
		Number of Board Meetings		Last AGM	Other Directorships	Committee	
		Held	Attended			Memberships	Chairmanships
10. Mr. Sunil O. Khandelwal	CFO, Executive	6	6	Yes	-	-	-
11. Mr. K. H. Gopal	Secretary, Executive	6	6	Yes	-	-	-
12. Ms. Lalita Sharma (Nominee of IDBI Bank Limited)	Non- Executive, Non-Independent, Nominee ⁶	6	4	No	-	-	-
13. Mr. Sudhir Garg ³ (Nominee of IFCI Ltd)	Non- Executive, Non-Independent, Nominee ⁶	5	5	No	5		
14. Mr. Surinder Kumar Bhoan ⁵	Non- Executive, Independent	-	-	-	-		

Note:

1. Mr. Ashok B. Jiwrajka stepped down as the Executive Chairman of the Board and continued as the Executive Director of the Company, w.e.f. March 30, 2015 .
2. Mr. K.R. Modi , has voluntarily stepped down from the Board due to other commitments w.e.f February 13,2014.
3. Nomination of Mr. M.V. Muthu was withdrawn by IFCI Limited w.e.f February 13, 2014 and in his place Mr. Sudhir Garg was appointed .
4. Nomination of Mr. Samuel Joseph was withdrawn by Export Import Bank of India w.e.f December 01,2014.
5. Mr. Surinder Kumar Bhoan was appointed as an Additional Non- executive Independent Director w.e.f. March 30, 2015.
6. Independent Director upto September 30,2014 under the pre-revised clause 49.
7. Mr. Samuel Joseph Jebaraj, Chairman of Audit Committee was unable to attend the AGM due to health reasons.

As mandated by the Clause 49, none of the Directors are members of more than ten Board level committees of public companies nor are they Chairman of more than five committees in which they are members.

Directors with material pecuniary or business relationship with the Company

As mandated by Clause 49, none of the Independent Directors on the Company's Board:

- Apart from receiving director's remuneration, has or had no material pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- Either by himself or his relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year.
- neither himself nor any of his relatives —
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

- (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
- (iii) holds together with his relatives two per cent or more of the total voting power of the company; or
- (iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
- (v) is a material supplier, service provider or customer or a lessor or lessee of the company;

There are no transactions with related parties that may have potential conflict of interest with the Company. Transactions with related parties are disclosed in Note 28 of 'Notes forming part of the Accounts' annexed to the financial statements of the period. There has been no materially relevant pecuniary transactions or relationships between Alok and its non-executive and/or independent Directors during the period October 1, 2013 to March 31, 2015.

Note:

The Company had sales transactions aggregating to ₹ 2.23 crores (previous year ₹ 10.44 crores) with an entity in which Mr. Ashok Rajani, director is a partner. The transactions were made in the ordinary course of business and at arm's length basis. The Board of Directors of the Company is of the view that the transactions made are not material enough to impinge upon the independence of the independent director.

Information provided to the Board

The information supplied to the Board includes:

- Annual operating plans and budgets and any update thereof;
- Capital budgets and any updates thereof;
- Quarterly results for the company and operating divisions and business segments;
- Minutes of the meetings of the Audit Committee and other Committees of the Board;
- Information on recruitment and remuneration of senior officers just below the Board level, including the appointment or removal of Chief Financial Officer and the Company Secretary;
- Materially important show cause, demand, prosecution and penalty notices;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the company;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions. Any significant development in Human Resources / Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.;
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

The Board of Directors is presented with detailed notes along with the agenda papers well in advance of the meeting. The Board periodically reviews compliance reports of all laws applicable to the company, prepared by the company as well as steps taken by the Company to rectify instances of non-compliances.

Familiarisation Programme for Directors

At the time of appointing a Director, a formal letter of appointment is given to him, inter alia explaining the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the Compliance required from him under the Companies Act, 2013, Clause 49 of the Listing Agreement and other relevant regulations and affirmation taken with respect to the same. Further the Company has put in place a system to familiarise the Independent Directors about the Company, its products, business and the on-going events relating to the Company.

As required under Clause 49, the Company has formulated a policy on familiarisation programme for Independent Directors. The Policy is available on the website of the Company. (Weblink: <http://alokind.com/Downloads/Policy%20on%20Familiarization%20Programme%20of%20Independent%20Director.pdf>)

Training to Independent Directors to familiarize them with the company

The company adopts various ways to familiarize its independent directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc.

At every Board Meeting, the management provides an in-depth update on the industry developments pertaining to each product division of the company and the various opportunities available in the global market. The COO and the Dy. COOs for each division speak at length of the trends and forecasts for their respective division and highlight important milestones for the product achieved globally. The Board Meeting docket contains a section on the economic scenario as also the global textile scenario.

Also, important compendiums on the textile industry issued by reputed firms are distributed to all directors for their information. In addition, the company is in talks with a globally reputed firm to hold 1-2 workshops annually for the benefit of the independent directors that will cover some of the aspects highlighted above and also various other topics related to their role as directors.

Code of Conduct

The Board of Alok Industries Limited, at its meeting on October 28, 2005, has adopted and laid down a code of conduct for all Board members and Senior Management of the company. The code of conduct is available on the website of the company – www.alokind.com. All Board members and senior management personnel have affirmed compliance with the Code of Conduct. The Managing Director has also confirmed and certified the same (the certification is enclosed at the end of this report).

Committees of the Board**a) Audit Committee**

As on March 31, 2015, Alok's Audit Committee consisted of Mr. Sudhir B. Garg, Ms. Thankom Mathew, Ms. Lalita Sharma, and Mr. Dilip B. Jiwrajka. All the members of the Audit Committee have accounting and financial management expertise. Mr. Samuel Joseph, the former Chairman of the Audit Committee was not able to attend Annual General Meeting (AGM) held on December 27, 2013 due to health reasons.

The Securities and Exchange Board of India (SEBI) has amended clause 49 effective October 1, 2014, which does not consider nominee directors as 'independent directors'. The Company is in the process of inducting independent Directors on the Audit Committee in order

to comply with the condition of composition of the Audit Committee subsequent to October 1, 2014.

The Committee met six times during the period from October 1, 2013 to March 31, 2015 on November 23, 2013, February 13, 2014, May 15, 2014, August 14, 2014, November 13, 2014 and February 11, 2015. Table 2 gives attendance record.

Table 2: Attendance record of Company's Audit Committee

Name of the Member	Position	Status	Audit Committee Meetings Held	Meetings Attended
Mr. M.V. Muthu ¹	Chairman of the Committee	Non Independent, Nominee Director ⁷	1	1
Mr. J. Samuel Joseph ^{2&6}	Chairman of the Committee	Non Independent, Nominee Director ⁷	5	4
Mr. Ashok Rajani ³	Member	Independent Director	3	3
Mr. K R Modi ⁴	Member	Independent Director	1	-
Mr. Dilip B. Jiwrajka	Member	Promoter, Executive Director	6	6
Mr. Sudhir Garg ^{1 & 8}	Member/ Chairman	Non Independent, Nominee Director ⁷	4	4
Ms. Lalita Sharma ⁵	Member	Non Independent, Nominee Director ⁷	3	2
Ms. Thankom Mathew ⁶	Member	Non Independent, Nominee Director ⁷	1	1

1. Nomination of Mr. M.V. Muthu was withdrawn by IFCI Limited w.e.f February 13, 2014 , and in his place Mr. Sudhir Garg was appointed as member of the Committee w.e.f May 15, 2014.
2. Mr. Samuel Joseph was appointed as the Chairman of the Committee w.e.f November 23, 2013.
3. Mr. Ashok Rajani resigned from the Audit Committee w.e.f May 15, 2014.
4. Mr. K.R Modi ceased to be a member of the Committee w.e.f February 13, 2014.
5. Ms. Lalita Sharma was appointed as the Member of the Audit Committee w.e.f May 15, 2014.
6. Ms. Thankom Mathew was appointed as the member of Audit Committee w.e.f February 11, 2015 in place of Mr. Samuel Joseph since his nomination was withdraw by Export- Import Bank of India w.e.f December 1, 2014.
7. Independent Director upto September 30, 2014 under the pre-revised clause 49.
8. Mr. Sudhir Garg was appointed as the Chairman for the meeting held on February 11, 2015.

Notes:

The Executive Director and Chief Financial Officer (CFO) and representatives of the statutory auditors and internal auditors are regularly invited by the Audit Committee to its meetings. Mr. K.H. Gopal, Executive Director & Secretary, is the secretary to the Committee.

The functions of the Audit Committee of the company include the following:

- 1 Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2 Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- 3 Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4 Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
- 5 Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 6 Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- 7 Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 8 Approval or any subsequent modification of transactions of the company with related parties;
- 9 Scrutiny of inter-corporate loans and investments;
- 10 Valuation of undertakings or assets of the company, wherever it is necessary;
- 11 Evaluation of internal financial controls and risk management systems;
- 12 Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13 Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14 Discussion with internal auditors of any significant findings and follow up there on;
- 15 Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 16 Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17 To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18 To review the functioning of the Whistle Blower mechanism;
- 19 Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- 20 Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee is empowered, pursuant to its terms of reference, to:

- a) Investigate any activity within its terms of reference and to seek any information it requires from any employee.
- b) Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations.

- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- Management letters / letters of internal control weaknesses issued by the statutory auditors
- Internal audit reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the Chief internal auditor
- Whenever applicable, the uses/applications of funds raised through public issues, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital, etc), as part of the quarterly declaration of financial results
- If applicable, on an annual basis, statement certified by the statutory auditors, detailing the use of funds raised through public issues, rights issues, preferential issues for purposes other than those stated in the offer document/prospectus/notice.

In addition, the Audit Committee of the company is also empowered to review the financial statements, in particular, the investments made by the unlisted subsidiary companies (if any), in view of the requirements under Clause 49.

All Related Party Transactions shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:

- a. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the company and such approval shall be applicable in respect of transactions which are repetitive in nature.
- b. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
- c. Such omnibus approval shall specify
 - (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,
 - (ii) the indicative base price / current contracted price and the formula for variation in the price if any and
 - (iii) such other conditions as the Audit Committee may deem fit;

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹ 1 crore per transaction.

d. Audit Committee shall review, atleast on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.

e. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year

b) Stakeholders' Relationship Committee (Formerly known as Share Transfer and /Investors' Grievances Committee)

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Share Transfer and /Investors' Grievances Committee" as the "Stakeholders' Relationship Committee"

The Committee looks into all matters related with the transfer of securities; it also specifically looks into redressing complaints of shareholders and investors such as transfer of shares, issue of share certificates, non-receipt of Annual Report and non-receipt of declared dividends. As on March 31, 2015 the Committee comprises Mr. Ashok. G. Rajani, (Chairman of the Committee), Mr. Dilip B. Jiwrajka, Mr. Surendra B. Jiwrajka and Mr. Ashok B. Jiwrajka.

The Committee met 10 times during the period from October 1, 2013 to March 31, 2015 on October 18, 2013, December 10, 2013, January 20, 2014, March 28, 2014, June 20, 2014, June 24, 2014, June 30, 2014, July 12, 2014, July 25, 2014, and September 1, 2014. Table 3 gives the details of attendance record.

Table 3: Attendance record of Shareholders'/Investors' Grievances Committee for period – October 1, 2013 to March 31, 2015.

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. Ashok G. Rajani	Chairman of the Committee	Independent	10	10
Mr. Dilip B. Jiwrajka	Member	Promoter, Executive	10	10
Mr. Surendra B. Jiwrajka	Member	Promoter, Executive	10	10
Mr. Ashok B. Jiwrajka	Member	Promoter, Executive	10	10

Terms of Appointment of Whole- time Directors

Mr. Ashok B. Jiwrajka, Mr. Dilip B. Jiwrajka, Mr. Surendra B. Jiwrajka, Mr. Sunil O. Khandelwal and Mr. K. H. Gopal were appointed for a period of 5 years with effect from the date of respective agreements executed between them and the Company and are governed by Board and shareholders' resolutions, the salient features of their appointments are as under:

Name of the Directors	Contract Period	Notice period for termination of contract	Fixed Salary	Commission
Mr. Ashok B. Jiwrajka	March 10, 2008 to March 9, 2013 and March 10, 2013 to March 9, 2018	Six calendar months notice, in writing to the Board of Directors of the Company	₹ 15,00,000/- per month	Restricted to 1% of the net profit of the Company
Mr. Dilip B. Jiwrajka	March 10, 2008 to March 9, 2013 and March 10, 2013 to March 9, 2018	Six calendar months notice, in writing to the Board of Directors of the Company	₹ 15,00,000/- per month	Restricted to 1% of the net profit of the Company
Mr. Surendra B. Jiwrajka	March 10, 2008 to March 9, 2013 and March 10, 2013 to March 9, 2018	Six calendar months notice, in writing to the Board of Directors of the Company	₹ 15,00,000/- per month	Restricted to 1% of the net profit of the Company
Mr. Sunil O. Khandelwal	November 10, 2012 to November 9, 2017	Six calendar months' notice, in writing to the Board of Directors of the Company	₹ 10,21,154/- per month	N.A.
Mr. K. H Gopal	November 10, 2012 to November 9, 2017	Six calendar months' notice, in writing to the Board of Directors of the Company	₹ 9,91,050/- per month	N.A.

c) Nomination and Remuneration Committee (Formerly known as Remuneration Committee)

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing “**Remuneration Committee**” as the “**Nomination and Remuneration Committee**”

Nomination and Remuneration Committee comprises of three Non-Executive Directors and one Executive Director viz .Mr. Timothy Ingram, Mr. Ashok G. Rajani, Mr. M.V. Muthu (upto February 13, 2014), Mr. Sudhir Garg (w.e.f February 13,2014) and Mr. Dilip B. Jiwrajka. The Chairman of the Committee is an Independent Director. The Committee met on March 30, 2015.

Terms of Reference

The Board has clearly defined terms of reference for Remuneration and Nomination Committee which are as follows:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance, formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and senior management.
- To identify independent directors to be inducted to the Board from time to time and formulate criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Taking steps to refresh the composition of the Board from time to time.
- Review market practices and decide on remuneration packages applicable to the Managing Directors/ Executive Directors.
- To decide on the remuneration to be paid to Directors taking into account the individuals performance as well as the performance of the Company.
- To assist in developing a succession plan for the Board.
- Delegation of any of its power to any Member of the Committee or the Compliance Officer

Remuneration Policy**Remuneration to Executive Directors**

The appointment and remuneration of Executive Directors including Chairman and Managing Director and Whole-time Director is governed by the recommendation of the Nomination and Remuneration Committee, resolution passed by the Board of Directors and shareholders of the Company. Payment of remuneration to Executive Directors is governed by the respective Agreements executed between them and the Company. The remuneration package comprises of salary, perquisites and allowances (fixed component), and / or commission (variable components)

Annual Increments, if any are linked to performance and are decided by the Nomination and Remuneration Committee and recommend to the Board for approval thereof.

Presently, the Company does not have a scheme for grant of stock options or performance linked incentives for its Directors

Remuneration to Non-Executive Directors

Non-Executive Directors are paid sitting fees of ₹ 20,000 for every Board Meeting attended by them. The Non-Executive Independent Directors do not have any material pecuniary relationship or transaction with the Company.

The Committee has been constituted to administer Alok ESOS 2010.

Employees exercised 2,02,300 options during the period. 36,90,950 options from Grant 3 lapsed due to separations during the period ended March 31, 2015.

All options (1,91,29,600) in force have vested during the period ended March 31, 2015. Each option represents a right but not obligation to apply for 1 fully paid equity share of ₹10/- Disclosure as required by SEBI guidelines on ESOS is annexed to the Directors' report.

Remuneration paid to Directors

Payment of remuneration to the Executive Chairman, Managing Director, Joint Managing Director and Executive Directors is governed by the respective agreements executed between them and the Company and are governed by Board and shareholders' resolutions. The remuneration structure comprises Salary, Commission linked to profits, perquisites and allowances and retirement benefits (superannuation and gratuity). The details of such remuneration have been disclosed in Table 4

Commission to non-executive Directors are also detailed in Table 4.

Table 4: Details of remuneration paid to Directors for the period from October 1, 2013 to March 31, 2015.

Name of the Director	Sitting Fees ²	Salary and Perquisites ⁸	Provident & Superannuation Funds	Commission ³	Total
					In ₹
Mr. Ashok B. Jiwrajka	-	2,70,00,000	-	1,87,50,000	4,57,50,000
Mr. Dilip B. Jiwrajka	-	2,70,00,000	-	1,87,50,000	4,57,50,000
Mr. Surendra B. Jiwrajka	-	2,70,00,000	-	1,87,50,000	4,57,50,000
Mr. Ashok G. Rajani	80,000				80,000
Mrs. Thankom T. Mathew (Nominee of Life Insurance Corporation of India) ⁴	1,20,000				1,20,000
Mr. Timothy Ingram	80,000				80,000
Mr. M.V.Muthu (Nominee of IFCI Limited) ^{4& 5}	20,000				20,000
Mr. J Samuel Joseph ⁴ (Nominee of Export Import Bank of India)	80,000				80,000
Mrs. Lalita Sharma ⁴ (Nominee of IDBI Bank Limited)	80,000				80,000
Mr. Sunil O. Khandelwal	-	1,83,84,269	89,856	-	1,84,74,125
Mr. K. H. Gopal	-	1,78,42,398	78,282	-	1,79,20,680
Mr. Sudhir Garg (Nominee of IFCI Limited) ^{4&5}	1,00,000				1,00,000

Notes:

1. None of the Directors are related to each other, except Mr. Ashok B. Jiwrajka, Mr. Dilip B. Jiwrajka and Mr. Surendra B. Jiwrajka, who are brothers.
2. Sitting fees to non-executive directors include payment for Board-level committee meetings.
3. Commission payable to the executive directors, is linked to the net profit of the Company and therefore considered as performance linked incentive.
4. Sitting fees of nominee Directors Mr. M.V. Muthu and Ms. Thankom Mathew is paid in his name. In the case of the other nominee Directors, the sitting fees are paid to the financial institution they represent.
5. Nomination of Mr. M.V. Muthu was withdrawn by IFCI Limited w.e.f February 13, 2014 and in his place Mr.Sudhir Garg was appointed.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committees.

As required under Clause 49, the Company has formulated a policy on Appointment and Evaluation of Board of Directors, KMP & SM. The Policy is available on the website of the Company(Web link: <http://alokind.com/Downloads/Policy%20on%20Appointment%20and%20Evaluation%20of%20Board%20of%20Directors,KMP%20&%20SM.pdf>).

d) Executive Committee

The Board of Directors have delegated the authority to supervise and monitor the day-to-day activities of the company to an Executive Committee. The committee comprises of Mr. Ashok B. Jiwrajka, Mr. Dilip B. Jiwrajka and Mr. Surendra B. Jiwrajka. This Committee met 87 times during the period from October 1, 2013 to March 31, 2015. The details of business transacted by the Committee are placed before the Board of Directors at the next meeting and are ratified by the Board after due discussion.

e) Rights Issue Committee

The Board of Directors have constituted Rights Issue Committee on October 27, 2008 for finalization of the terms and all other consequential conditions pertaining to the Rights Issue held in 2009. The committee comprises Mr. Dilip B. Jiwrajka, Mr. Surendra B. Jiwrajka, Mr. K. R. Modi, and Mr. Timothy Ingram. The Committee had been dissolved w.e.f August 13, 2012.

Further the Board of Directors through a Circular Resolution dated September 25, 2012 have constituted a new Rights Issue Committee for finalization of the terms and all other consequential conditions pertaining to the proposed Rights Issue of Equity Shares upto ₹ 551 Crores which was made in May, 2013. The committee comprises of Mr. Dilip B. Jiwrajka, Mr. Surendra B. Jiwrajka, Mr. K. R. Modi, Mr. Ashok Rajani and Mr. M. V. Muthu.

The Company did not have any rights issue during the period.

f) Corporate Social Responsibility Committee

Pursuant to Section 135 of the Companies Act, 2013, the Board of Directors of the Company had constituted a "Corporate Social Responsibility Committee" on May 28, 2015 which comprises of three Directors including Shri Surinder Kumar Bhoan, Non Executive Independent Director, is the Chairman of the Committee. The other members of the CSR Committee include Shri Sunil O. Khandelwal – Executive Director & CFO and Shri K.H. Gopal- Executive Director & Secretary.

The broad terms of reference of the Corporate Social Responsibility (CSR) Committee are:

1. Formulate, monitor and recommended to the Board, the CSR Policy.
2. Recommend to the Board, modifications to the CSR Policy as and when required.
3. Recommend to the Board, the amount of expenditure to be incurred on the activities undertaken.
4. Review the performance of the Company in the area of CSR including the evaluation of the impact of the Company's CSR activities.
5. Review the Company's disclosure of CSR matters.
6. Consider other functions, as defined by the Board,

or as may be stipulated under any law, rule or regulation including the listing agreement, and the Companies Act, 2013.

As required under Clause 49, the Company has formulated a policy on Corporate Social Responsibility The Policy is available on the website of the Company (Weblink: <http://alokind.com/Downloads/CSR%20Policy.pdf>).

g) Independent Directors' Meeting

During the year under review, the Independent Directors met on March 31, 2015, inter alia to discuss:

1. Evaluation of performance of Non- Independent Directors and the Board of Directors as a whole;
2. Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non- Executive Directors;
3. Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Except Mr. Timothy Ingram, other two Directors Mr. Ashok Rajani and Mr. Surinder Kumar Bhoan were present at the meeting.

Subsidiary Companies

Clause 49 defines a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

Under this definition, the Company does not have a 'material non-listed Indian subsidiary. However as required under Clause 49, the Company has formulated the Material Subsidiary policy which is available on the website of the Company (Weblink:<http://alokind.com/Downloads/Policy%20for%20determining%20material%20subsidiaries.pdf>).

Shares and convertible instruments held by the non-executive Directors

As on March 31, 2015, No non-executive Director holds any equity shares in Alok Industries Limited.

As on March 31, 2015, none of the non-executive directors held any convertible instruments of the Company.

Management Discussion and Analysis

The Management Discussion and Analysis is given separately and forms part of this Annual Report.

Affirmations and Disclosures**Disclosures by Management to the Board**

All disclosures relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board, and the interested Directors do not participate in the discussion nor do they vote on such matters.

Disclosures on materially significant related party transactions, i.e. the Company's transactions that are of material nature, with its Promoters, Directors and the management, their relatives or subsidiaries, among others that may have potential conflict with the Company's interests at large.

There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management or Relatives etc. that may have potential conflict with the interest of the Company at large.

Attention of members is drawn to the disclosures of transactions with the related parties set out in Notes on Accounts – Note No. 28 forming part of Annual Report.

The Company's major related party transactions are generally with its Subsidiaries and Associates considering various business and other factors.

All the related party transactions in the ordinary course of business are placed periodically before the Audit Committee.

All related party transactions are negotiated on arms length basis and are only intended to further the interest of the Company.

As required under Clause 49, the Company has formulated a policy on Related Party Transactions. The Policy is available on the website of the Company (Weblink: <http://alokind.com/Downloads/Policy%20on%20Related%20Party%20Transactions.pdf>).

Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with all the requirements of regulatory authorities. No penalties/strictures were imposed on the company by stock exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

Whistle-Blower Policy:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has formulated Whistle Blower policy for vigil mechanism for Directors and employees to report to the management about the unethical behaviour, fraud or violation of the Company's code of conduct. Such instance is then brought in the notice of the Code of Conduct's Compliance Officer Mr. K.H. Gopal, Executive Director & Company Secretary who is the Compliance Officer for Alok's Code of Conduct. No personnel have been denied access to the Audit Committee.

The mechanism has necessary safeguards to protect whistle-blowers from victimization, while checks are in-built against any misuse of this facility aimed at encouraging directors and employees to report genuine concerns and any wrongdoings at their company.

As required under Clause 49, the Company has formulated the Whistle Blower Policy. The Policy is available on the website of the Company (Weblink: <http://alokind.com/Downloads/Whistle%20Blower%20Policy.pdf>).

Disclosure of accounting treatment in preparation of financial statements

The financial statements of the Company have been 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 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable.

Risk Management

Business Risk evaluation and management is an ongoing process within the Company. The Company has formed Risk committees at various plants/ offices which regularly meet and carry out the risk management process. Such committees report to the Core committee, which also performs risk management process at the broader level. The assessment is periodically examined by the Board.

As required under Clause 49, the Company has formulated a Risk Management Policy. The Policy is available on the website of the Company (Weblink: <http://alokind.com/Downloads/Risk%20policy.pdf>).

Code for prevention of insider-trading practices

In compliance with the SEBI regulation on prevention of insider trading, the company has instituted a comprehensive code of conduct for its Directors, management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of company, and cautioning them of the consequences of violations. The code clearly specifies, among other matters, that Directors and specified employees of the company can trade in the shares of the company only during 'Trading Window Open Period'. The trading window is closed during the time of declaration of results, dividend and material events, as per the Code.

Mr. K.H. Gopal, Executive Director & Secretary, is the Compliance Officer.

CEO/ CFO certification

The CEO and CFO certification of the financial statements for the year is provided in the MD & CFO certification section of the Annual Report.

Shareholders

Reappointment/Appointment of Directors

As per the requirements of Section 152 of the Companies Act,

2013 two-third of the Board shall consist of retiring directors out of which one third shall retire at every annual general meeting. Accordingly, Mr Sunil O. Khandelwal and Mr. K.H. Gopal shall retire and shall seek re-appointment, Mr. Timothy Ingram shall be confirmed as an Independent Director and Mr. Surinder Kumar Bhoan's appointment shall be regularised as an Independent Director in the ensuing Annual General Meeting of the Company.

Details of directors seeking re-appointment.

Mr. Sunil O. Khandelwal - 51 years	
He is a qualified Chartered Accountant and is associated with the Company from 23 years and is currently also working as the Executive Director & Chief Finance Officer. He is responsible for overall Corporate Finance, Operations, Accounts & Tax, Internal Controls, Investments, Risk Management and Strategic Planning. He has wide experience in raising funds for project financing, working capital, acquisition funding from international and national lenders, equity raising in domestic and international markets, private equity, financial planning and budgeting, treasury, corporate accounts and taxation.	
Other Directorships	NIL
Other Committee Memberships	CSR Committee
Number of shares held in the Company	NIL
Mr. K.H. Gopal - 49 years	
He has obtained his associate membership with the Institute of Company Secretaries of India in the year 1994 and has passed LLB(G) Examination from the Mumbai University in the year 1994.. He is currently the Executive Director & Secretary of the Company. He started his career with Rohit Pulp & Paper Mills Limited in 1987. Thereafter, he moved on to the Hinditron Group in 1992 before joining the Company Limited in mid-1994. His responsibilities at Alok include overseeing the legal & secretarial, forex management, information technology, HR and administration functions. He is a part of the core management team for envisioning the Group's strategy and growth plans. His forte is a strong legal background with a penchant for human resource management.	
Other Directorships	NIL
Other Committee Memberships	CSR Committee
Number of shares held in the Company	NIL

Details of director being confirmed as Independent Director.

Mr. Timothy Ingram, 68 years	
He completed his Masters in Arts in Economics from Cambridge University, an MBA from INSEAD Business School and is a Fellow of the Chartered Institute of Bankers. He spent most of his career in banking (Grindlays Bank, ANZ, Abbey National) and then in 2002 became CEO of Caledonia Investments plc, a UK listed investment company. He retired from Caledonia Investments in 2010 and is presently Chairman of Greencoat UK Wind plc from January 2013.	
Other Directorships	Greencoat UK Wind plc
Other Committee Memberships	Nomination and Remuneration Committee
Number of shares held in the Company	NIL

Details of director being regularised as Independent Director.

Mr. Surinder Kumar Bhoan - 51 years	
He is a qualified B. Tech from Technological Institute of Textile & Sciences (TITS), Bhiwani (Haryana) He has over 40 years of experience in project finance, credit appraisal, debt restructuring and corporate finance. He was having 19 years of extensive experience of senior leadership at IFCI Ltd as General Manager in Mumbai and handled diverse portfolio across several industry sectors. He had also served as Managing Director of Nakoda Green Power and was responsible for financing and implementation of large wind energy projects. He also has decade plus experience in textile industry in operations and research.	
Other Directorships	1
Other Committee Memberships	NIL
Number of shares held in the Company	NIL

Means of Communication with Shareholders:

Alok Industries Ltd. puts forth key information about the Company and its performance, including quarterly results, official news releases, and presentations to analysts, on its website www.alokind.com regularly for the benefit of the

public at large. During the period, the quarterly results of the company's performance have been published in leading newspapers such as 'Business Standard', 'The Economic Times' in English, all Mumbai editions and in 'Western Times', Gandhinagar edition and are also posted on its website. The

audited financial results for the period ended September 30, 2013 were published in Business Standard, Mumbai and Western Times, Gandhinagar Edition. Hence, they are not separately sent to the shareholders. The Company, however, furnishes the quarterly results on receipt of a request from any shareholder.

Investor Grievance and Shareholder Redressal

The Company has appointed a Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited, which is fully equipped to carry out share transfer activities and redress investor complaints. Mr. K.H. Gopal, Executive Director & Secretary, is the Compliance Officer for redressal of all shareholders' grievances.

General Body Meetings

The date, time and venue of the last three Annual General Meetings are given below in Table 6.

Table 6: Details of last 3 Annual General Meetings

Financial year	Date	Time	Venue	Resolutions passed
2010-11	September 29, 2011	12.00 noon	17/5/1 & 521/1, Village Rakholi / Saily, Silvassa – 396230, Union Territory of Dadra and Nagar Haveli.	<ol style="list-style-type: none"> 1. Authorising the Board to borrow money in excess of paid-up capital and free reserves of the Company. 2. Authorising the Board of Directors to create charge/ mortgage on the assets of the Company.
2011-12	August 14, 2012	12.00 noon	17/5/1 & 521/1, Village Rakholi / Saily, Silvassa – 396230, Union Territory of Dadra and Nagar Haveli.	<ol style="list-style-type: none"> 1. Extend the benefits of company's employee stock option scheme, 2010 to the employees and directors of the subsidiary companies 2. Appointment of Mr. Varun S. Jiwrajka and Mr. Niraj D. Jiwrajka, a relative of three whole time directors of the company to hold office of profit under the company 3. Increase in remuneration of Mr. Alok a. Jiwrajka, a relative of three whole time directors of the company who is holding office of profit under the company
April 1, 2012-September 30, 2013	December 27, 2013	12.00 noon	17/5/1 & 521/1, Village Rakholi / Saily, Silvassa – 396230, Union Territory of Dadra and Nagar Haveli.	<ol style="list-style-type: none"> 1. Re-appointment of three Whole-time Directors of the Company. 2. Authorising the Board to borrow money in excess of paid-up capital and free reserves of the Company. 3. Authorising the Board of Directors to create charge/ mortgage on the assets of the Company. 4. Appointment of Mr. Sunil O. Khandelwal as Executive Director and CFO for a period of 5 years. 5. Appointment of Mr. K.H. Gopal as Executive Director and Secretary for a period of 5 years.

The resolutions mentioned in table 6 were taken up in the last three AGMs, and were passed with requisite majority.

No special resolutions passed at the above Annual General Meetings were required to be put through postal ballot. No resolution is proposed to be passed at the forthcoming Annual General Meeting through postal ballot.

POSTAL BALLOTS

No Postal Ballot was conducted pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 for obtaining the consent of the Shareholders of the Company for the period

October 1, 2013 to March 31, 2015.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE:

The Company has obtained a Certificate from the Statutory Auditors regarding compliance of conditions of corporate governance, as mandated in Clause 49. The certificate is annexed to this report.

ADOPTION OF MANDATORY AND NON- MANDATORY REQUIREMENTS OF CLAUSE 49

The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement, except for composition of the Board of Directors and the Audit committee between

the period from October 1, 2014 to March 31, 2015 as detailed above.

The Company has adopted following non-mandatory requirements of Clause 49 of the Listing Agreement:

1. The Board

A non-executive Chairman may be entitled to maintain a Chairman's office at the company's expense and also allowed reimbursement of expenses incurred in performance of his duties

2. Communication to Shareholders

Details of the shareholders' rights in this regard are given in the section 'Communication to Shareholders'.

3. Audit Qualification

During the current financial period, there are no audit qualifications in the financial statements. The Company continues to adopt appropriate best practices in order to ensure unqualified financial statements

4. Reporting of Internal Auditor

The Internal auditor directly reports to the Audit Committee.

Additional Shareholder Information

Annual General Meeting

Date: June 26, 2015

Time: 12.00 noon

Venue: 17/5/1, 521/1, Rakholi / Saily, Silvassa,
Union Territory of Dadra & Nagar Haveli.

Financial Calendar

Financial year: October 01, 2013 to March 31, 2015

For the period ended March 31, 2015 (for the 18 months period), results were announced for:

First quarter : Reviewed	February 13, 2014
Second quarter: Reviewed	May 15, 2014
Third quarter: Reviewed	August 14, 2014
Fourth quarter : Reviewed	November 13, 2014
Fifth quarter: Reviewed	February 11, 2015
Sixth quarter and annual: Audited	May 28 , 2015

For the period ending March 31, 2016, results will be announced by:

First quarter : Reviewed	on or before July 2015
Second quarter: Reviewed	on or before October 2015
Third quarter: Reviewed	on or before January 2016
Fourth quarter and annual: Audited	On or before May 2016

Book Closure

The books will be closed from June 19, 2015 to June 26, 2015 (both days inclusive) as annual closure for the Annual General Meeting.

Listing

At present, the equity shares of the company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

The annual listing fees as prescribed have been paid to BSE and NSE upto March 31, 2016.

Table 1: Company's Stock Exchange codes

Name of the Stock Exchange	Stock Code
National Stock Exchange of India Limited	ALOKTEXTEQ
BSE Limited	521070
ISIN No.	INE270A01011

Non-Convertible Debentures (NCDs)

Sr. No.	Particulars	No. of NCDs	Amount (In Crore)	Stock Code (BSE)	ISIN NO.	Premature redemption	Balance as on March 31,2015
1	1140 – 12.50% Secured Redeemable NCDs of ₹ 10,00,000/- each aggregating to ₹144 crores issued and allotted on June 29, 2010 on private placement basis.	700	70.00	ALOK290610A	INE270A07463	70.00	0.00
		700	70.00	ALOK290610B	INE270A07471	51.00	19.00
		40	4.00	ALOK290610C	INE270A07489	--	4.00
2	560 – 11.50% Secured Redeemable NCDs of ₹ 10,00,000/- each aggregating to ₹ 56 crores issued and allotted on June 29, 2010 on private placement basis.	250	25.00	ALOK290610C	INE270A07489	--	25.00
		179	17.90	ALOK290610C	INE270A07489	--	17.90
		71	7.10	ALOK290610C	INE270A07489	--	7.10
		50	5.00	ALOK290610C	INE270A07489	--	5.00
		5	0.50	ALOK290610C	INE270A07489	--	0.50
		5	0.50	ALOK290610C	INE270A07489	--	0.50
3.	1000 – 13.00% Secured NCDs of ₹ 10,00,000/- each aggregating to ₹ 100 Crores issued and allotted on October 20, 2010 on private placement basis.	334	33.40	ALOK201010A	INE270A07497	--	33.40
		333	33.30	ALOK201010B	INE270A07505	--	33.30
		333	33.30	ALOK201010C	INE270A07513	--	33.30
4.	900– 13.50% Secured NCDs of ₹ 10,00,000/- each aggregating to ₹ 90 crores issued and allotted on March 04, 2011 on private placement basis are to be listed with BSE.	300	30.00	ALOK4311A	INE270A07521	30.00	0.00
		300	30.00	ALOK4311B	INE270A07539	30.00	0.00
		300	30.00	ALOK4311C	INE270A07547	30.00	0.00
5.	1100– 14.50% Secured NCDs of ₹ 10,00,000/- each aggregating to ₹ 110 crores issued and allotted on March 04, 2011 on private placement basis are to be listed with BSE.	367	36.67	ALOK4311A	INE270A07521	--	36.67
		367	36.67	ALOK4311B	INE270A07539	---	36.67
		366	36.66	ALOK4311C	INE270A07547	---	36.66
6.	3000 – 12.00% Secured Redeemable NCDs of ₹ 10,00,000/- each aggregating to ₹ 300 crores issued and allotted on February 01, 2012 on private placement basis.	375	37.50	ALOK010212A	INE270A07554	--	37.50
		375	37.50	ALOK010212B	INE270A07562	--	37.50
		375	37.50	ALOK040212C	INE270A07570	--	37.50
		375	37.50	ALOK010212D	INE270A07588	--	37.50
		375	37.50	ALOK010212E	INE270A07596	--	37.50
		375	37.50	ALOK010212F	INE270A07604	--	37.50
		375	37.50	ALOK010212G	INE270A07612	--	37.50
		375	37.50	ALOK010212H	INE270A07620	--	37.50
TOTAL		8000	800.00			211.00	589.00

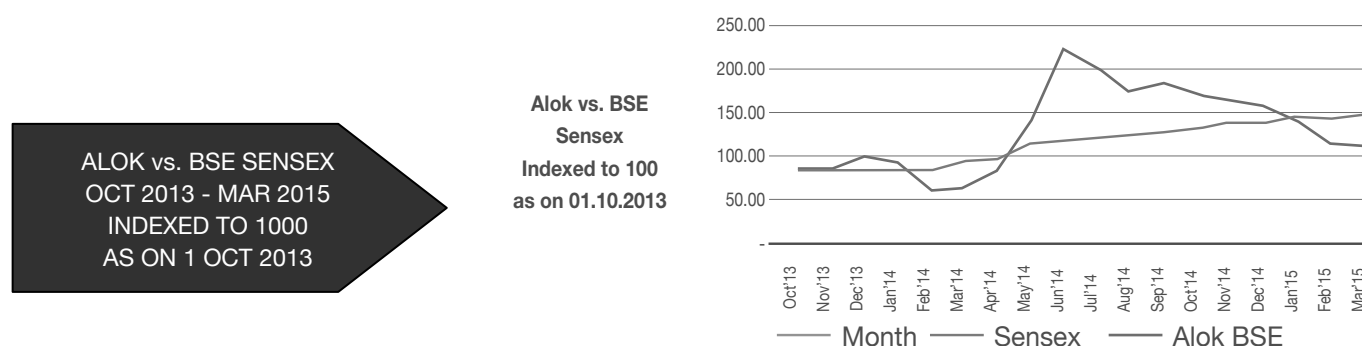
Stock Market Data

Monthly High and Low and the performance of Alok's share price vis-à-vis BSE Sensex and NSE Nifty is given in Table 2 and Chart A and B respectively.

Table 2: High, lows and volumes of company's shares for the period October 1, 2013 to March 31, 2015 at BSE and NSE

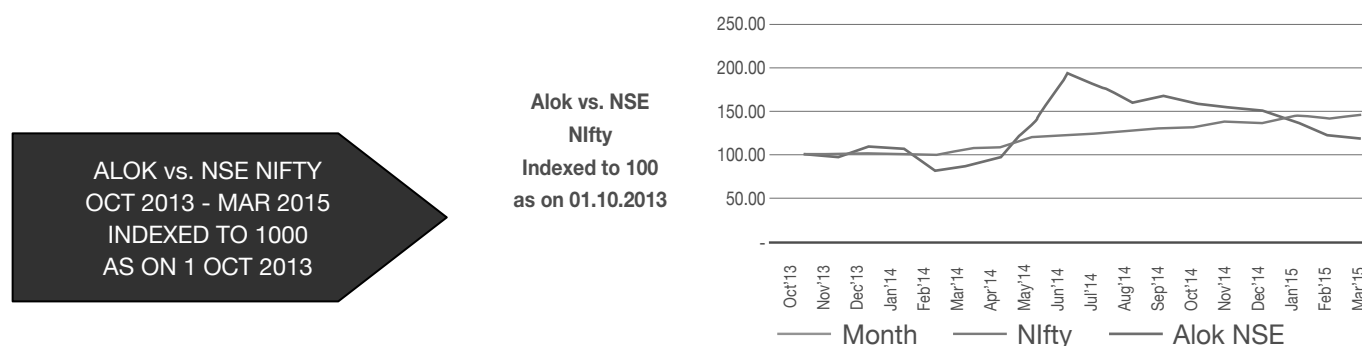
Month	BSE (In ₹ per share)			NSE (In ₹ Per share)		
	High	Low	Volume	High	Low	Volume
Oct-13	8.5	7.81	1,39,04,421	8.5	7.5	5,05,45,435
Nov- 13	8.45	7.45	1,96,11,086	8.45	7.45	6,06,60,242
Dec-13	9.39	7.26	1,74,63,011	9.15	7.25	6,87,56,813
Jan- 14	8.9	6.7	1,32,94,730	8.9	6.65	5,37,15,173
Feb-14	7.1	6.35	66,30,899	7.1	6.35	3,48,53,139
March-14	7.29	5.8	3,34,64,507	7.3	5.75	6,82,69,722
April-14	8.36	6.48	2,21,21,721	8.3	6.5	8,41,75,639
May-14	11.5	6.8	9,82,46,872	11.55	6.75	33,43,95,227
June-14	16.32	9.82	23,06,16,681	16.3	9.75	98,91,88,600
July-14	15.1	11.79	8,83,82,305	15.15	11.75	38,75,19,163
August-14	13.49	9.96	7,91,79,464	13.5	9.9	31,64,75,346
Sept-14	14.08	10.35	8,28,05,482	14.1	10.3	37,68,75,203
Oct -14	13.38	11.32	4,09,38,533	13.4	11.3	15,95,54,764
Nov-14	12.92	10.36	5,11,76,035	12.9	10.4	17,45,83,920
Dec- 15	12.6	9.71	7,58,81,097	12.6	9.7	21,60,96,166
Jan-15	11.65	9.75	3,84,50,240	11.7	9.7	18,29,23,864
Feb-15	10.25	8.83	2,81,06,170	10.3	8.85	11,37,94,079
March-15	10.08	6.43	8,18,32,360	10.1	6.4	26,98,27,172

Chart A: Alok's Industries's Share Performance versus BSE Sensex
SHARE PERFORMANCE VIS-À-VIS STOCK MARKET INDICES



Note: Share price of Alok and BSE Sensex have been indexed to 1000 on October 1, 2013

Chart B: Alok's Industries's Share Performance versus NSE NIFTY



Note: Share price of Alok Industries and NSE Nifty have been indexed to 1000 on October 1, 2013

Distribution of Shareholding

Table 3 and 4 lists the distribution of the shareholding of the equity shares of the company by size and by ownership class as on March 31, 2015.

Table 3: Shareholding pattern

Shareholding Class	No of shares held	% of total shares held	No of shareholders	% of total shareholders
Upto 500	28463161	2.0666	130162	58.5263
501 to 1,000	32731224	2.3764	37282	16.7636
1,001 to 2,000	35845830	2.6026	22021	9.9016
2,001 to 3,000	23514468	1.7073	8881	3.9933
3,001 to 4,000	16998019	1.2341	4631	2.0823
4,001 to 5,000	24043634	1.7457	4980	2.2392
5,001 to 10,000	56826774	4.1259	7340	3.3004
10,001 and above	1158894785	84.1414	7102	3.1934
TOTAL	1377317895	100.00	222399	100.00

Table 4: Shareholding Pattern by ownership as on March 31, 2015.

CATEGORY	As on March 31, 2015	
	Total No. of Shares	Percentage (%)
A. Promoter's Holding		
Promoters		
Indian Promoters	525767790	38.17
Foreign Promoters	0	0.00
Persons acting in Concert	0	0.00
TOTAL (A)	525767790	38.17
B. Non Promoter's Holding		
1. Institutional Investors		
a. Mutual Funds and UTI	12832	0.00
b. Banks, Financial Institutions, Insurance Companies/Central Governments/State Governments	113518914	8.24
c. FIIs	84825563	6.16
TOTAL (B1)	198357309	14.40
2. Others		
• Private Corporate Bodies	176042171	12.78
• Indian Public	431600208	31.34
• NRIs/OCBs	25354421	1.84
• Foreign Companies/HUF	916869	0.07
• Clearing Members/Market Maker	17005152	1.23
• Trusts	2273975	0.17
TOTAL (B2)	653192796	47.43
TOTAL B (B1+B2)	851550105	61.83
GRAND TOTAL (A+B)	1377317895	100.00

Registrar and Transfer Agent

The Company has appointed LINK INTIME INDIA PRIVATE LIMITED as its Registrar and Share Transfer Agent, to whom all shareholders communications regarding change of address, transfer of shares, change of mandate etc. should be addressed.

The address of the Registrar and Share Transfer Agents is as under: -

Name and Address of R & T Agent or address of the share dept, as the case may be LINK INTIME INDIA PRIVATE LIMITED,

C-13, Pannalal Silk Mills Compound

LBS Marg, Bhandup (West), Mumbai 400078

Tel no. +91 22 25963838

Fax no. +91 22 25946969

Share Transfer System

The shares of the company are compulsorily traded in dematerialized form. Shares received in physical form are transferred within a period of 30 days from the date of lodgement subject to documents being valid and complete in all respects.

De-materilisation of Shares and Liquidity

As on March 31, 2015, over 99.80% shares of the company were held in de-materialised form.

There are no legal proceedings against Alok on any share transfer matter. Table 5 gives details about the nature of complaints and their status for the period from October 1, 2013 to March 31, 2015.

Table 5: Complaints Received and Addressed during the period from October 1, 2013 to March 31, 2015.

Particulars	Complaints				
	Non-Receipt of Certificates	Non-receipt of dividend/Interest/ Redemption of warrant	Non Receipt of Annual Report	Others	Total
Opening as on October 01,2013	0	01	0	0	01
Received during the period	8	195	10	3	216
Attended during the period	8	196	10	3	217
Pending as on March 31, 2015	00	00	00	00	00

Outstanding GDRs/ADRs/Warrants

The Company has not issued GDRs/ ADRs/Warrants as of March 31, 2015.

Details of Public Funding Obtained in the last three years

2010-11

NIL

2011-12

On March 10, 2012, the Company has issued and allotted 16,000,000 Equity Shares of ₹ 10.00 each at a premium of ₹ 41.00 per share to M/s. Jiwrajka Investments Private Limited, a Promoter Group Company, against the conversion of warrants held by them. The said warrants were originally issued to Arum Investments Private Limited by M/s. Grabal Alok Impex Limited and the same were subsequently purchased by M/s. Jiwrajka Investments Private Limited

NOTE : On March 15, 2012, pursuant to the amalgamation of Grabal Alok Impex Limited with Alok Industries Limited as per the Scheme of Amalgamation sanctioned by the Hon'ble High Court, Bombay, India on 3 February 2012 the Company has issued and allotted 22,485,000 Equity shares to the shareholders of Grabal Alok Impex Limited whose name appeared in the register of members of Grabal Alok Impex Limited (in the ratio of 1:1), as per the details received from NSDL/CDSL. Consequent on the amalgamation, the Company's equity share capital as on March 31, 2012 stands

at ₹ 826.27 crore divided into 826,269,357 fully paid equity shares of ₹ 10/- each. There was no inflow received by the Company on account of amalgamation .

April 1, 2012- September 30, 2013

On May 8, 2013, the Company issued and allotted 550846238 Equity Shares of ₹ 10.00 each for cash at par to the existing shareholders of the Company on rights basis in the ratio of 2 rights equity shares for every 3 equity shares held on the Record Date i.e. February 19, 2013. After the issue, the total paid-up equity capital of the Company became 1377115595 Equity Shares of ₹ 10.00 each.

October 1, 2013- March 31, 2015

On November 13, 2014 the Company issued and allotted 202300 Equity Shares of ₹ 10.00 each for cash at par on exercise of option under Employees Stock Option Scheme known as Alok ESOS 2010 to its 10 employees. After the issue, the total paid-up equity capital of the Company became 1377317895 Equity Shares of ₹ 10.00 each.

Table 6 gives the details.

Table 6: Details of public funding obtained during the last four years and its implication on paid up Equity Share Capital

Financial Year	Amt. Raised through Public Funding	Effect on Paid up equity Share Capital
2010-2011	NIL	13,921 partly paid equity shares were forfeited and total paid-up equity capital of the Company became 787,784,357 Equity Shares of ₹ 10.00 each
2011-2012	16000000 Equity Shares of ₹ 10.00 each, at a premium of ₹ 41.00 per share to Jiwarajka Investments Private Limited	After the conversion of Warrants into equity shares, the total paid-up capital of the Company increased from 787,784,357 Equity Shares of ₹ 10.00 each to 803,784,357 Equity Shares of ₹ 10.00 each
	22,485,000 Equity shares of ₹ 10.00 each, to the shareholders of Grabal Alok Impex Limited pursuant to amalgamation of Grabal Alok Impex Limited with the Company. (*)	After the amalgamation Company's equity share capital as on March 31, 2012 stands at ₹ 803,784,357 Equity Shares of ₹ 10.00 each to 826,269,357 paid equity shares of ₹ 10/- each.
April 1, 2012-September 30, 2013	550846238 Equity Shares of ₹ 10.00 each at par to the existing shares of the Company on Rights basis.	After the Rights issue of equity shares, the total paid-up equity capital of the Company became 1377115595 Equity Shares of ₹ 10.00 each
October 1, 2013- March 31, 2015	202300 Equity Shares of ₹ 10.00 each for cash at par on exercise of option under Employees Stock Option Scheme known as Alok ESOS 2010	After the issue of equity shares under Alok ESOS 2010, the total paid-up equity capital of the Company became 1377317895 Equity Shares of ₹ 10.00 each

(*) There was no inflow received by the Company due to allotment of these shares as the shares were issued and allotted pursuant to the scheme of amalgamation approved by the Hon'ble High Court, Bombay, India on February 3, 2012.

As on March 31, 2015, 99.76% of the promoters' holding have been pledged with FIs, MFs and other lenders as part of loan conditions. This represents a sum total of 524498056 equity shares (38.08 % of the total equity of the Company).

SHAREHOLDERS' GENERAL RIGHTS

1. To receive not less than 21 clear days notice of General meetings.
2. To receive notice and forms for Postal Ballots in terms of the provisions of the Companies Act, 2013 and the relevant Rules issued thereunder.
3. To receive copies of Balance Sheet and Statement of Profit and Loss along with all annexures/ attachments (Generally known as Annual Report) not less than 21 days before the date of the annual general meeting.
4. To participate and vote at general meetings either personally or through proxy (proxy can vote only in case of a poll).
5. To receive dividends and other corporate benefits like bonus, rights etc. once approved.
6. To demand poll on any resolution at a general meeting in accordance with the provisions of the Companies Act, 2013.
7. To inspect statutory registers and documents as permitted under law.
8. To require the Board of Directors to call an extraordinary general meeting in accordance with the provisions of the Companies Act, 2013.

DUTIES / RESPONSIBILITIES OF INVESTORS

1. To remain abreast of corporate developments, company specific information and take informed investment decision(s).
2. To be aware of relevant statutory provisions and ensure effective compliance therewith.
3. To deal with only SEBI registered intermediaries while dealing in the securities.
4. Not to indulge in fraudulent and unfair trading in securities nor to act upon any unpublished price sensitive information.
5. To participate effectively in the proceedings of shareholders' meetings.
6. To contribute to the Greener Environment and accordingly register email addresses to enable the Company to send all documents / notices including Annual Reports electronically.
7. To register nominations, which would help the nominees to get the shares transmitted in their favour without any hassles.

8. To participate in the e-voting facility provided by the company or attend the General Meeting of the Company and cast their vote.
9. To respond to communications seeking shareholders' approval through Postal Ballot.
10. To respond to communications of SEBI / Depository / DP / Brokers / Sub-brokers / Other Intermediaries / Company, seeking investor feedback / comments.

Plant Locations

Spinning	<ul style="list-style-type: none"> 412, Saily, Silvassa, Union Territory of Dadra & Nagar Haveli
Weaving	<ul style="list-style-type: none"> Babla Compound, Kalyan Road, Dist. Bhiwandi, Thane
	<ul style="list-style-type: none"> 17/5/1 and 521/1, Rakholi / Saily, Silvassa, Union Territory of Dadra & Nagar Haveli
	<ul style="list-style-type: none"> 209/1 and 209/4, Silvassa, Village Dadra, Union Territory of Dadra & Nagar Haveli
Knitting	<ul style="list-style-type: none"> 412, Saily, Silvassa, Union Territory of Dadra & Nagar Haveli
Processing	<ul style="list-style-type: none"> C-16/2, Village Pawane, TTC Industrial Area, MIDC, Navi Mumbai, Dist. Thane
	<ul style="list-style-type: none"> 261/ 268, Village Balitha, Taluka Pardi, Dist. Valsad, Gujarat
	<ul style="list-style-type: none"> 254, Village Balitha, Taluka Pardi, Dist. Valsad, Gujarat
Garments	<ul style="list-style-type: none"> 374/2/2, Saily, Silvassa, Union Territory of Dadra & Nagar Haveli
	<ul style="list-style-type: none"> 17/5/1, Rakholi, Silvassa, Union Territory of Dadra & Nagar Haveli
	<ul style="list-style-type: none"> 273/1/1, Hingraj Industrial Estate, Atiawad, Daman
Made ups	<ul style="list-style-type: none"> 374/2/2, Saily, Silvassa, Union Territory of Dadra & Nagar Haveli
	<ul style="list-style-type: none"> 149/150, Village Morai, Taluka Pardi, Dist. Valsad, Gujarat
POY/ Texturising	<ul style="list-style-type: none"> 521/1, Saily, Silvassa, Union Territory of Dadra & Nagar Haveli
Hemming	<ul style="list-style-type: none"> 103/2, Rakholi, Silvassa, Union Territory of Dadra & Nagar Haveli
Continuous Polymerization Plant	<ul style="list-style-type: none"> 17/5/1 and 521/1, Rakholi / Saily, Silvassa, Union Territory of Dadra & Nagar Haveli
Terry Towel Unit	<ul style="list-style-type: none"> 263/P1 and 251/2P1, Village Balitha, Taluka Pardi, Dist. Valsad, Gujarat
Packing Unit	<ul style="list-style-type: none"> 87/1/1/1 and 97/1, Village Falandi, Silvassa, Union Territory of Dadra & Nagar Haveli

Investor Correspondence Address

For shares held in physical form	For shares held in dematerialised form	
Link Intime India Private Limited	National Securities Depository Limited	Central Depository Services (India) Limited
Link Intime India Private Limited C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West), Mumbai 400078 Tel: +91-22-2596 3838 Fax: +91-22-2594 6969 E-mail: mumbai@linkintime.co.in Website: www.linkintime.co.in	National Securities Depository Limited Trade World, 4th Floor Kamala Mills Compound Senapati Bapat Marg Lower Parel, Mumbai 400013 Tel.: +91-22-2499 4200 Fax: +91-22-2497 2993 E-mail: info@nsdl.co.in Website: www.nsdl.co.in	Central Depository Services (India) Limited Phiroze Jeejeebhoy Towers 17th Floor, Dalal Street Mumbai 400 023 Tel.: +91-22-2272 3333 Fax: +91-22-2272 3199 E-mail: investor@cdslindia.com Website: www.cdslindia.com

COMPLIANCE OFFICER FOR INVESTOR REDRESSAL

K.H. Gopal

Executive Director & Secretary
Alok Industries Limited
Peninsula Business Park,
Tower-B, 2nd & 3rd Floor
GK Marg, Lower Parel
Mumbai 400013
E-mail: gopal@alokind.com
Website: www.alokind.com.

Auditors' Certificate on compliance of conditions of Corporate Governance

As per Clause 49 of the Listing Agreement of the Stock Exchange

To the members of Alok Industries Limited

We have examined the compliance of conditions of Corporate Governance by Alok Industries Limited, for the period from October 1, 2013 to March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

The clause 49 has been revised effective 1 Oct 2014 and consequently nominee directors are not considered as 'independent directors' on the Board of Directors of the Company from 1 October 2014 onwards. The Company is taking steps to induct independent directors on the Board and the Audit Committee in order to comply with the revised requirements. Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied in all respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm Registration No. 117366 W / W-100018)

P. B. Pardiwalia

Partner

(Membership No. 40005)

Place: Mumbai

Date: May 28, 2015

Certification by Managing Director and Chief Financial Officer

We, Dilip B. Jiwrajka, Managing Director and Sunil O. Khandelwal, Executive Director & Chief Financial Officer of Alok Industries Limited, to the best of our knowledge and belief, certify that -

- a. We have reviewed financial statements and cash flow statements for the period from October 1, 2013 to March 31, 2015 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the period from October 1, 2013 to March 31, 2015 which are fraudulent, illegal or in violation of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee -
 - (i) significant changes in internal control over financial reporting during the period from 1 October, 2013 to 31 March, 2015;
 - (ii) significant changes in accounting policies during the period from 1 October, 2013 to 31 March, 2015 and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.
- e. We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matter involving alleged misconduct).

Place: Mumbai
Date : May 28, 2015

Dilip B. Jiwrajka
Managing Director

Sunil O. Khandelwal
Executive Director & Chief Financial Officer

DECLARATION

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 I (D) OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with the Clause 49 sub-clause of the listing Agreement with the Stock Exchanges, I further confirm that all the directors and senior management personnel of the Company have affirmed compliance to their respect Code of conduct, as applicable to them for the period from October 1, 2013 to March 31, 2015.

Place : Mumbai
Date : May 28, 2015

Dilip B. Jiwrajka
Managing Director

Business Responsibility Report

Business Responsibility Report

for the 18 months period ended 31.03.2015

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company** : L17110DN1986PLC000334
2. **Name of the Company** : Alok Industries Limited
3. **Registered Address** : Survey Nos.17/5/1 & 521/1,
Village Rakholi/ Saily,
Silvassa-396230
Union Territory of Dadra & Nagar Haveli
4. **Website** : www.alokind.com
5. **E-mail ID** : info@alokind.com
6. **Financial year reported** : 01.10.2013 to 31.03.2015
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)** : Manufacturer and Seller of Textile products
National Industrial Classification (NIC) Codes: 2350, 2351, 2360, 2622, 2650, 2673, 3061, 3062
8. **List three key products/services that the Company manufactures/ provides (as in balance sheet)** : Apparel Fabrics, Home Textiles and Polyester Yarn
9. **Total number of locations where business activity is undertaken by the Company:** :
 - i. Number of International Locations (Provide details of major 5) : Nil
 - ii. Number of National Locations : 14
10. **Markets served by the Company – Local/State/ National/International/** : All

Section B: Financial Details of the Company

1. **Paid up Capital (INR)** ₹ 1,377.33 crore
2. **Total Turnover (INR)** ₹ 22,130. 72 crore
3. **Total Profit After Taxes (INR)** ₹ 348.76 crore
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)** ₹ 1.35 crore i.e less than 1% of the profit after tax
5. **List of activities in which expenditure in 4 above has been incurred:-**
 - a. Community Development;
 - b. Health & Medical Care;
 - c. Green Cover;
 - d. Skill development programmes;
 - e. Promoting sports

Section C: Other Details

1. **Does the Company have any Subsidiary Company/ Companies?** The Company has following subsidiary Companies
I. Domestic Subsidiary;
 a) Alok Infrastructure Limited

II. Foreign Subsidiaries;

- a) Alok International Inc.;
- b) Alok International (Middle East) FZE;
- c) Alok Singapore Pte. Limited;
- d) Alok Worldwide Limited;
- e) Grabal Alok International Limited;
- f) Grabal Alok (UK) Limited;
- g) Alok Industries International Limited;
- h) Mileta a.s.;
- i) Alok Global Singapore Pte. Limited;
- j) Alok Trading Singapore Pte. Limited;
- k) Alok Merchant Singapore Pte. Limited;
- l) Alok Universal Singapore Pte. Limited;
- m) Alok Global Trading (Middle East) FZE;

2. Do the Subsidiary Company/ Companies participate in the BR Initiatives of the Parent Company?

If yes, then indicate the number of such subsidiary Company(s).

The domestic subsidiary company participates in the BR initiatives.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?

If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The Company encourages and supports independent / standalone activities by other entities that it does business with except its subsidiary companies. The percentage is less than 30%.

Section D: BR Information

1. a) Details of Director/ Directors responsible for BR implementation of the BR policy/ policies:

- i. Name : Mr. Surendra B. Jiwrajka
- ii. DIN : 00173525
- iii. Designation : Jt. Managing Director
- iv. Tel. Number : 022-6178 7000
- v. Email id : sbj@alokind.com

b) Details of BR head : Same as above

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N) :

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Business should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

	Questions					Human Rights	Environment	Public policy Advocacy	Inclusive Growth/ CSR	Engagement with Customer
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Company complies with consumer awareness through appropriate labeling, where applicable and disclosures in the documents issued to its customers. The Company is in the process of further evolving this through appropriate communication.								
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		While there is no formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from the concerned internal stakeholders.								
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		In keeping with the vision of the Company and the changing business environment, Company constantly reviews its business policies and practices towards developing a sustainable business agenda. Industry practices/ standards at national and international levels are kept in view while advising such policies.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/ CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies are approved at appropriate levels by the competent authority including the Board, wherever required.								
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Policy frameworks are regularly monitored in course of its day-to-day business operations. Additionally, Board has delegated certain powers to various committees of the Board with distinct roles and responsibilities.								
6	Indicate the link for the policy to be viewed online?	N	N	N	N	N	N	N	N	N
		It has been the Company's practice to upload policies on the Intranet site for the information and implementation by the internal stakeholders. The Code of Conduct for Directors include other Policies that will now be hosted and the Code of Conduct for Senior Management and Employees is available on the website http://www.alokind.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		While there is no specific grievance redressal mechanism for human rights, the Company has a whistle blower policy to address employees' grievances with respect to human rights.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N
		While the Company has not carried out independent audit of the policies; the execution of the policies is through processes and systems, which are internally audited.								

2a. If answer to Sr. No.1 against any principle, is 'NO', please explain why:

Covered in the Table above.

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

The various principles of BR performance are reviewed by the Board/ Committee of the Board from time to time.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the Company publishes a section on

'Sustainability' as part of the Management Discussion & Analysis annually and the same is accessible on the company website under the 'Annual Report' link.

- Reduction during usage by consumers (energy, water) has been achieved since the previous year?

N.A.

- Does the company have procedures in place for sustainable sourcing (including transportation)?

- If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

We take initiatives to ensure responsible sourcing in our supply chain. We have an informal code of responsible business conduct policy for our major suppliers, which outline our expectations from them in areas of labour standards, environment and ethical business practices. It would not be possible to ascertain the percentage of inputs that are sourced sustainably.

- Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The company encourages participation in its business procurement process and human resource needs from local as well as small producers surrounding its places of operations. Company has sound e-procurement practices based on the principle of competitiveness and such procurement practices are executed in a manner that is transparent, fair, competitive and cost effective.

- Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

It is the Company's ongoing endeavour to recycle its products and limit the waste arising out of production of various textile products.

Alok encourages the use of recycled products and has set up a recycled polyester unit with 20 tons/ day of capacity to recycle polyester and polyester yarn waste, flakes and PET bottles to produce 100% recycled polyester fibre. The percentage of recycling of products and waste is 5-10%.

Section E: Principle-wise performance

Principle 1

- Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs / Others?

The Company has a defined Code of Conduct for Directors as well as the Senior Management and Employees of the Company that covers issues, inter alia, related to ethics, bribery, etc. The Code of Conduct for Senior Management and Employees, inter alia, covers all dealings with suppliers, customers and other business partners including Joint Ventures and other stakeholders.

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

There were no stakeholder complaints received in the reporting period with regard to ethics, bribery and corruptions.

Principle 2

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Our processing plant produces sheeting fabrics for home textile and woven and knitted fabrics for apparels. It has state-of-the-art Effluent Treatment Plant for primary, secondary and tertiary treatment of effluent. It also has reverse osmosis plants for recycling of water.

- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

N.A.

Principle 3

- Please indicate the Total number of employees. 19090
- Please indicate the Total number of employees hired on temporary/ contractual/casual basis. 7024
- Please indicate the Number of permanent women employees. 1324
- Please indicate the Number of permanent employees with disabilities. 10
- Do you have an employee association that is recognized by management. Yes
- What percentage of your permanent employees is members of this recognized employee association? 4.58%

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/ forced labour/ involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
- Permanent Employees – 100%
 - Permanent Women Employees – 100%
 - Casual/Temporary/Contractual Employees – 100%
 - Employees with Disabilities – 100%

Principle 4

- Has the company mapped its internal and external stakeholders? Yes/No
Yes.
- Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.
Yes.
- Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company's dry processes are located in areas dominated by disadvantaged, vulnerable and marginalized communities with poor socio-economic indicators. The Company has launched initiatives for training and employment of the tribal women folk, education and feeding of their children.

Principle 5

- Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The policy of the company covers human right principles. As a part of the commitment towards meeting its societal needs, the Company believes in safeguarding human rights within its sphere of influence.

- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Nil

Principle 6

- Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The policy on Health, Safety and Environment covers the Company. The Company is committed to conduct business with a strong environmental conscience ensuring sustainable development, safe work places and enrichment of quality of life of employees, customers and the community at large.

- Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes. In the current reporting year, various initiatives on energy saving, water saving, waste reduction etc. were implemented.

The complete details are available in the annexure to the 'Directors' Report' in the Annual Report for the 18 months period ended 31st March 2015.

- Does the company identify and assess potential environmental risks? Y/N

Yes, the Company has a mechanism to identify and assess potential environmental risks across all locations.

- Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No.

- Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. Same as stated under point 2.

- Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes.

- Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7

- Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, the Company is a member of the following trade and chambers of associations in alphabetical order :

- Apparel Export Promotion Council (AEPIC)
- Ahmedabad Textile Industry's Research Association
- Asmechem Chamber of Commerce & Industry of India

- d) Association of Synthetic Fibre Industry
 - e) Confederation of Indian Industry (CII)
 - f) Indian Merchants' Chamber
 - g) PHD Chamber of Commerce and Industry (PHD Chamber)
 - h) The Federation of Indian Chambers of Commerce and Industry (FICCI), and
 - i) The Cotton Textiles Export Promotion Council (TEXPROCIL)
 - j) The Synthetic & Rayon Textiles Export Promotion Council (SRTEPC)
 - k) The All India Exporters' Chamber
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)
- Yes. The Company proactively advocates for public welfare with an aim to bring positive change in governance and compliant behaviour among key stakeholders such as employees, customers and business partners.
- The Company also contributes through Confederation of Indian Industry when views are solicited on matters such as Securities Law, Corporate Laws, etc.

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes and these details have been elucidated in the section on 'Sustainability and CSR initiatives' that forms a part of the Management Discussion & Analysis' in the Annual Report for the 18 months period ended 31st March 2015.

2. Are the programmes/projects undertaken through in-house team/own foundation / external NGO / government structures/any other organization?

Programmes / projects are implemented by in-house team under the advice of experts, where required.

3. Have you done any impact assessment of your initiative?

Impact assessment of large initiatives like Alok Public School are done from time to time.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Around ₹ 27 lakhs have been spent on various projects like expenses for the dialysis centre at Silvassa, promotion of sports, cultural & religious activities and relief to flood affected areas.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. Various social welfare initiatives viz. health & medical care, education and mid-day meals with focus on welfare of the economically and socially deprived sections of society are implemented, mostly, in the vicinity of establishments for improving quality of life of the community

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Customer complaints are treated very seriously in the organisation. The Company hears its customers through various mediums such as emails, telephone, letter, fax etc.

The status of pending complaints/cases as on 31st March 2015 is Nil

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

Yes. All our commercial products follow Bureau of Indian Standards (BIS) guidelines for product information and labeling, where applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes. Besides the regular customer engagement initiatives, the company conducts consumer survey as well to get appropriate market feedback and improve upon the deliverables to meet the customer expectations.

Independent Auditors' Report

TO THE MEMBERS OF ALOK INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Alok Industries Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2015, the Statement of Profit and Loss for the period 1 October 2013 to 31 March 2015 and the Cash Flow Statement for the period then ended, 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 Standards notified under the Companies Act, 1956 ("the Act") (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and 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.

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 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2015;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the period from 1 October 2013 to 31 March 2015; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order for the period ended 31 March, 2015, to the extent the same are applicable to the Company.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014).
 - (e) Since the provisions of Section 274(1)(g) of the Act are not in effect from 1 April 2014, the reporting requirement under Section 227(3)(f) of the Act is not applicable as of the balance sheet date.

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

P. B. Pardiwalla

Partner
(Membership No. 40005)

Mumbai, 28 May, 2015

Annexure to the Independent Auditors' Report

RE: Alok Industries Limited

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business/ activities/results, clauses (iii), (x), (xii), (xiii), (xiv), (xviii) and (xx) of the CARO are not applicable to the Company.
- (ii) In respect of fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) According to the information and explanations given to us, physical verification of major portion of fixed assets was conducted by the management during the period, which in our opinion is reasonable having regard to the size of the company and nature of its business and no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the period, in our opinion; do not constitute a substantial part of the fixed assets of the Company.
- (iii) In respect of inventories:
 - (a) As explained to us, inventories (except stocks lying with third parties and in-transit, confirmation / subsequent receipt have been obtained in respect of such inventory) have been physically verified during the period by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) In our opinion and according to the information and explanations given to us, there is an internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets and sale of goods and services, except that finance controls over purchase and sale of outsourced fabrics need to be significantly strengthened.
- (v) In respect of contracts or arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956:
 - (a) To the best of our knowledge and belief and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the register have been so entered for the period the said section was applicable.
 - (b) Other than in respect of certain services of a special nature for which we are informed that comparable quotations cannot be obtained, all other transactions in excess of ₹ 5 lacs in respect of any party, have been made at prices which are prima facie reasonable having regard to the prevailing markets prices at the relevant time, for the period the said section was applicable.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public, during the period the said Sections, provisions and Rules were applicable, except for delay in filing return of deposits for the period 1 April, 2013 to 31 March, 2014, which was filed on 2 May, 2015. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the internal audit functions carried out during the period by firms of Chartered Accountants appointed by the Management have been commensurate with the size of the company and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion, that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the information and explanation given to us in respect of statutory dues:
 - (a) There have been several delays by the Company during the period in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, and Service Tax dues with the appropriate authorities. The company has deposited dues to Investor Education and Protection Fund within the prescribed time limit.

- (b) The undisputed amounts payable in respect of Income-tax, Service Tax, Corporate Dividend tax, Cess and other statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable are as under.

Name of the Statute	Nature of Dues	Amount Involved (₹ in Crores)	Period to which the amount Relates	Due date
Income tax Act, 1961	Corporate Dividend Tax	7.91	AY 2014-15	10 January, 2014
Income tax Act, 1961	Advance Tax	18.61	A.Y 2014-15	Various dates upto 15 March, 2014
Income tax Act, 1961	Tax Deducted at Source	3.63	AY 2015-16	Various dates upto 7 September, 2014
Income tax Act, 1961	Advance Tax	18.90	A.Y 2015-16	Various dates upto 15 September, 2014
Finance Act, 1994	Service Tax	1.69	FY 2013-14	Various dates upto 31 March, 2014
Finance Act, 1994	Service Tax	1.76	FY 2014-15	Various dates upto 6 September, 2014

- (c) There are no dues in respect of Sales Tax, Income Tax, Wealth tax, Customs duty, Service Tax, Excise duty and Cess that have not been deposited as on 31st March, 2015 on account of disputes, other than as follows :

Name of the statute	Nature of dues	Amount (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax demand (TDS dues)	6.18	AY 2006 - 07 to 2008-09 and AY 2010-11 to 2011-12	Commissioner of Income Tax (Appeals)
Works Contract Tax Act, 1986	Works Contract Tax	0.59	FY 2004 – 05	Deputy Commissioner of Sales Tax
Maharashtra Value Added Tax Act, 2002	Maharashtra Value Added Tax	8.07	FY 2008-09	Joint Commissioner of Sales Tax
Central Sales Tax Act, 1956	Central Sales Tax	0.98	FY 2008-09	Joint Commissioner of Sales Tax

- (x) In our opinion and according to the information and explanations given to us, the Company has defaulted in the repayment of dues to banks, financial institutions and debenture holders as under:

(₹ In crores)				
Period of Delay	Principal amount	Principal amount outstanding as on 31 March 2015	Interest amount	Interest amount outstanding as on 31 March 2015
Upto 30 days	419.01	253.14	387.73	67.24
31 to 90 days	1,766.75	224.81	937.16	113.98
91 to 180 days	561.90	3.74	307.01	11.55
Above 181 days	7.00	1.88	17.22	0.26

STATUTORY SECTION

Annexure to the Independent Auditors' Report



- (xi) In our opinion and according to the explanation given to us, the terms and conditions of the guarantees given by the company for loans taken by five subsidiary companies from banks and financial institutions are not prima facie prejudicial to the interests of the Company.
- (xii) On the basis of records examined by us, and relying on the information compiled by the Company for co-relating the funds raised to the end use of term loans, we have to state that, the company has, prima-facie, applied the term loans for the purposes for which they were obtained.
- (xiii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have, prima facie, not been used during the period for long- term investment.
- (xiv) Security / Charges have been created in respect of debentures issued as detailed in note no. 4 to the financial statements.
- (xv) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the period.

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

P. B. Pardiwalla

Partner
(Membership No. 40005)
Mumbai, 28 May, 2015

Balance Sheet

as at 31 March 2015

(₹ Crores)

Particulars	Notes	As At 31-Mar-15	As At 30-Sep-13
I Equity And Liabilities			
(1) Shareholders' funds			
Share capital	2	1,377.33	1,377.13
Reserves and surplus	3	4,038.49	3,710.99
		5,415.82	5,088.12
(2) Non-current liabilities			
Long-term borrowings	4	7,223.50	9,085.47
Deferred tax liabilities (net)	5	868.26	664.14
Other Long-term liabilities	6	2,764.35	177.47
Long-term provisions	7	21.03	16.88
		10,877.14	9,943.96
(3) Current liabilities			
Short-term borrowings	8	6,044.09	4,560.58
Trade payables	9	3,380.18	1,786.43
Other current liabilities	10	3,394.25	3,846.15
Short-term provisions	7	240.96	277.27
		13,059.48	10,470.43
TOTAL		29,352.44	25,502.51
II Assets			
(1) Non-current assets			
Fixed assets			
Tangible assets	11	8,306.57	9,156.90
Intangible assets	11	13.96	26.53
Capital work-in-progress		56.22	555.13
		8,376.75	9,738.56
Non-current investments	12	348.15	129.15
Long-term loans and advances	13	1,748.27	1,637.35
		10,473.17	11,505.06
(2) Current assets			
Current investments	14	2.81	2.73
Inventories	15	8,284.58	5,726.47
Trade receivables	16	7,531.75	4,943.09
Cash and bank balances	17	634.75	882.65
Short-term loans and advances	18	2,273.10	2,247.56
Other current assets	19	152.28	194.95
		18,879.27	13,997.45
TOTAL		29,352.44	25,502.51
III Notes forming part of the financial statements	1-38		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

P. B. Pardiwalla
Partner

Place : Mumbai
Date: 28 May 2015

For and on behalf of the Board

Ashok B. Jiwrajka Executive Director
Dilip B. Jiwrajka Managing Director
Surendra B. Jiwrajka Joint Managing Director
Sunil O. Khandelwal Executive Director & Chief Financial Officer
K. H. Gopal Executive Director & Secretary

Place : Mumbai
Date: 28 May 2015

Statement of Profit and Loss

for the period from 1 October 2013 to 31 March 2015

(₹ Crores)			
Particulars	Notes	18 Months Ended 31-Mar-15	18 Months Ended 30-Sep-13
I. Revenue			
Revenue from operations (gross)	20	22,360.61	20,374.47
Less : Excise duty		229.89	456.72
Revenue from operations (net)		22,130.72	19,917.75
II. Other income	21	224.82	341.91
III. Total Revenue		22,355.54	20,259.66
IV Expenses			
Cost of materials consumed		17,381.22	13,908.87
Changes in inventories of finished goods and work-in-progress	22	(2,718.55)	(2,509.15)
Employee benefits expense	23	412.59	434.68
Finance costs	24	3,251.16	2,542.45
Depreciation and amortisation expense	11	1,461.21	1,360.77
Other expenses	25	2,009.87	2,658.40
Total Expenses		21,797.50	18,396.02
V Profit before exceptional items and tax		558.04	1,863.64
VI Exceptional items	36	-	(463.74)
VII Profit before tax		558.04	1,399.90
VIII Tax expense			
Current tax	5(a)	92.90	442.37
Less : MAT credit entitlement		(87.74)	-
Net Current tax		5.16	442.37
Deferred tax		204.12	37.37
Total tax expenses		209.28	479.74
IX Net profit for the period		348.76	920.16
X Earnings Per Share (in ₹)	30		
Basic		2.53	9.43
Diluted		2.53	9.43
XI Notes forming part of the financial statements	1-38		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

P. B. Pardiwalla
Partner

Place : Mumbai
Date: 28 May 2015

For and on behalf of the Board

Ashok B. Jiwrajka Executive Director
Dilip B. Jiwrajka Managing Director
Surendra B. Jiwrajka Joint Managing Director
Sunil O. Khandelwal Executive Director & Chief Financial Officer
K. H. Gopal Executive Director & Secretary

Place : Mumbai
Date: 28 May 2015

Cash Flow Statement

for the period from 1 October 2013 to 31 March 2015

Particulars	(₹ Crores)	
	18 Months Ended 31-Mar-15	18 Months Ended 30-Sep-13
A] Cash Flow from Operating Activities		
Profit Before Tax	558.04	1,399.90
Adjustments for:		
Depreciation / amortisation	1,461.21	1,360.77
Exchange rate difference (net)	(202.39)	318.44
Dividend income	(1.48)	(3.40)
Employee Stock option outstanding	-	(2.27)
Interest paid	2,884.59	2,369.96
Interest Received	(174.57)	(330.90)
Loss / (Gain) on sale of fixed assets (net)	0.36	(0.72)
Provision for doubtful debts and advances	89.43	114.86
Bad debts and advances written off (net)	2.87	-
Sundry credit balance written back	(2.75)	(2.28)
Loss on sale of investments (net)	-	37.12
Share issue expenses	-	6.32
Operating profit before working capital changes	4,615.31	5,267.80
Adjustments for		
(Increase) in Inventories	(2,558.11)	(2,346.56)
(Increase) in Trade Receivable	(2,656.78)	(3,018.82)
(Increase) in Loans & Advances	(50.13)	(2,251.05)
Increase in Liabilities and Provisions	3,927.75	2248.44
Cash generated from / (used in) operations	3,278.04	(100.19)
Income taxes paid	(108.94)	(171.54)
Net cash generated from / (used in) operating activities	3,169.10	(271.73)
B] Cash flow from Investing Activities		
Purchase of fixed assets	(147.41)	(1,345.06)
Sale of fixed assets	4.76	7.20
Purchase of non current investment	(219.00)	-
Purchase of current investments	(0.08)	(50.29)
Sale of investments	-	52.02
Earmarked fixed deposit (placed) / matured (net) (Refer to note 1 below)	(388.07)	599.62
Dividends received	1.48	3.40
Interest received	180.14	42.28
Inter Corporate deposits given	(87.03)	(64.10)
Inter Corporate deposits refunded	123.87	29.75
Net cash (used in) investing activities	(531.34)	(725.18)
C] Cash flow from Financing Activities		
Proceeds from issue of equity share capital (including premium)	0.20	550.85
Proceeds from term borrowings	3,603.07	6,287.73
Repayment of term borrowings	(5,624.06)	(3,702.23)
Proceeds from short term borrowings (net)	1,486.17	192.87
Dividend paid (including tax thereon)	(40.43)	(28.78)
Interest paid	(2,698.68)	(2,109.78)
Share issue expenses	-	(6.32)
Net cash (used in) / generated from financing activities	(3,273.73)	1,184.34
Net (Decrease) / Increase in Cash and Cash equivalents (A+B+C)	(635.97)	187.43
Cash and Cash equivalents at the beginning of the period	729.14	541.71
Cash and Cash equivalents at the end of the period	93.17	729.14

Cash Flow Statement

for the period from 1 October 2013 to 31 March 2015

NOTES TO CASH FLOW STATEMENT

Particulars	(₹ Crores)	
	31-Mar-15	30-Sep-13
1 Cash and Cash equivalents includes :		
Cash and bank balances	634.75	882.65
Less : Earmarked balances / deposits with bank	541.58	153.51
Total Cash and Cash equivalents	93.17	729.14

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

P. B. Pardiwalla
Partner

Place : Mumbai
Date: 28 May 2015

For and on behalf of the Board

Ashok B. Jiwrajka	Executive Director
Dilip B. Jiwrajka	Managing Director
Surendra B. Jiwrajka	Joint Managing Director
Sunil O. Khandelwal	Executive Director & Chief Financial Officer
K. H. Gopal	Executive Director & Secretary

Place : Mumbai
Date: 28 May 2015

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

NOTE 1(A) : BACKGROUND INFORMATION

Alok Industries Limited ("The Company") is a public limited company, domiciled in India and incorporated under the provisions of the Companies Act, 1956. The equity shares of the Company are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). It is primarily engaged in the business of textile manufacturing including mending and packing activities.

NOTE 1(B) : SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statements

The financial statements of the Company have been 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 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable.

b) 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 and disclosure relating to contingent 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.

c) 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 gross of excise duty, and net of rebates and discounts. Excise duty recovered is presented as reduction from gross turnover. Export turnover includes related export benefits.

d) Fixed Assets

i. 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 ready for 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 ready for use.

ii. 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.

e) Impairment of Fixed Assets

The carrying values of assets/cash generating units are reviewed for impairment at each balance sheet date in accordance with Accounting Standard (AS-28) "Impairment of Assets". An impairment loss is recognized in the statement of profit and loss in the period in which, an asset is identified as impaired, i.e. when the carrying value of the asset exceeds its recoverable value. An impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

f) 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. Current investments are carried at cost or fair value, whichever is lower.

g) Depreciation / Amortisation

- i. Depreciation on Fixed Assets is provided by the Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. 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 / disposal, as the case may be. Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase.
- ii. Cost of leasehold land is amortised over the period of lease.
- iii. Trademarks / Brands are amortised over a period of ten years from the date of capitalization
- iv. Computer software is amortised for a period of five years from the date of capitalization.

h) 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:

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

- 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.
- 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.

i) Inventories

Items of Inventories are valued on the basis given below:

- Raw Materials, Packing Materials, Stores and Spares: at cost determined on First – In – First – Out (FIFO) basis or net realisable value, whichever is lower.
- Process stock and Finished goods: At cost or net realisable values whichever is lower. Cost comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventory to their present location and condition.

j) Employee Benefits

- Defined Contribution Plans**
The Company’s contributions to provident fund, being defined contribution plans, are charged to the statement of profit and loss as an expense based on the amount of contribution required to be made and when services are rendered by the employees.
- Defined Benefit Plan**
The Company participates in a group gratuity cum life insurance scheme administered by the Life Insurance Company, a defined benefit plan. The cost of providing benefit is determined actuarially by the projected unit credit method at each balance sheet date. Actuarial gains/losses are recognised in the statement of profit and loss in the period in which they occur. The retirement benefit obligation recognised in the Balance Sheet represents the present value of defined benefit obligations as adjusted for unrecognised past service cost and as reduced by the fair value of scheme assets.
- Short Term Employee Benefits**
Short term employee benefits are recognised as an expense at undiscounted amounts in the statement of profit and loss in the period in which the related service is rendered.

k) Share based compensation

The compensation cost of stock options granted to employees is measured by the intrinsic value method, i.e. the difference between the market price of the Company’s shares on the date of grant of options and the exercise price to be paid by the option holders. The compensation cost is amortised over the vesting period of the options.

l) Leases

Operating lease receipts and payments are recognized as income or expense in the statement of profit and loss on a straight-line basis over the lease term.

m) Government Grants

Grants, in the nature of interest subsidy under the Technology Upgradation Fund Scheme (TUFs), are accounted for when it is reasonably certain that ultimate collection will be made. The interest subsidy is reduced from interest cost.

n) Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard (AS-16) “Borrowing Costs” are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred.

o) Income taxes

Tax expense comprises current and deferred taxes.

Current tax is measured at the amount expected to be paid to revenue authorities using, applicable rates and tax laws.

Minimum Alternative Tax (MAT) credit entitlement available under the provisions of the section 115JJA of the Income Tax Act, 1961 is recognized in accordance with the principles laid down in the Guidance Note on Accounting for credit available in respect of MAT under the Income Tax Act, 1961 issued by the ICAI, to the extent that the credit will be available for discharge of future normal tax liability.

Deferred tax is recognised on timing differences between the accounting and the taxable income for the period and quantified using the tax rates and laws enacted or substantively enacted as on the reporting date.

Deferred tax assets are recognised only when there is a reasonable or virtual certainty, as relevant, in accordance with the principles laid down in Accounting Standard (AS-22) “Accounting for Taxes on Income”, that sufficient future taxable income will be available against which they will be realized.

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

p) Accounting for Derivatives

The company enters in to derivative contracts to hedge its exposure to movements in interest rates and foreign exchange rates. These are not intended for trading or speculative purposes.

- i. Derivative Instruments (other than ii and iii below) are accounted for based on the principles of prudence enunciated in Accounting Standard (AS-1) "Disclosure of Accounting Policies". The category wise net mark to market loss or gain position is determined on balance sheet date and the loss recognised in the statement of Profit and Loss, gains are ignored.
- ii. Foreign currency forward contracts entered into to hedge foreign currency exposure on recognized monetary items is accounted for, in accordance with Accounting Standard (AS-11) "The effects of changes in Foreign Exchange Rates". The premium or discount on such contracts is amortized over the life of the contract. The exchange difference measured by the change in exchange rate between the inception dates of the contract / last reporting date as the case may be and the balance sheet date is recognized in the statement of profit and loss. Any gain / loss on cancellation of such forward contracts are recognised as income / expense of the period.
- iii. Forward exchange contracts entered in to after 1 April 2011 to hedge highly probable forecast transactions and firm commitments are accounted for by applying the recognition and measurement principles set out in the Accounting Standard (AS-30) "Financial Instruments: Recognition and Measurement". Accordingly, changes in the fair value of instruments designated as cash flow hedges are deferred in the Cash Flow Hedging Reserve account until the underlying transaction materializes

at which stage the amount in the reserve is recycled to the statement of profit and loss in the same line as the hedged item. Gain or loss on ineffective cash flow hedges (if any) is recognized in the statement of profit and loss.

q) 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 benefits is remote. Contingent Assets are neither recognised nor disclosed in the financial statements.

r) Cash Flow Statement

The Cash Flow Statement is prepared using the "indirect method" set out in Accounting Standard (AS-3) "Cash Flow Statements" 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.

s) Earnings per share

The Company reports basic and diluted Earnings per share (EPS) in accordance with Accounting Standard (AS-20) "Earnings per Share". Basic EPS is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

2. SHARE CAPITAL

Particulars	(₹ Crores)	
	As at 31-Mar-15	As at 30-Sep-13
Authorised		
1,500,000,000 Equity shares of ₹ 10/- each	1,500.00	1,500.00
Issued and Subscribed	1,377.33	1,377.13
1,377,317,895 (Previous period 1,377,115,595) Equity shares of ₹ 10/- each fully paid up	1,377.32	1,377.12
Add : 13,921 Equity Shares forfeited of ₹ 10/- each, ₹ 5/- paid up	0.01	0.01
TOTAL	1,377.33	1,377.13

(i) Reconciliation of number of shares and amount outstanding at the beginning and end of the period

Particulars	As at 31-Mar-15		As at 30-Sep-13	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Equity shares of Rs.10/- each				
At the beginning of the period	1,377,115,595	1,377.12	826,269,357	826.27
Add : Shares issued	202,300	0.20	550,846,238	550.85
At the end of the period	1,377,317,895	1,377.32	1,377,115,595	1,377.12

- a) The above includes, 22,485,000 Equity shares allotted to the shareholders of Grabal Alok Impex Limited during the year end March 2012, pursuant to the Scheme of Amalgamation for consideration other than cash.

(ii) Shareholders holding more than 5 percent shares in the Company

Particulars	As at 31-Mar-15		As at 30-Sep-13	
	No of shares	%	No of shares	%
Alok Knit Exports Limited	395,620,191	28.72	395,539,302	28.72

(iii) Rights, preferences and restrictions attached to equity shares

The Company has single class of equity shares. Each shareholders is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

(iv) Shares reserved for issue under options (Refer note no 29)

3. RESERVES AND SURPLUS

Particulars	(₹ Crores)	
	As at 31-Mar-15	As at 30-Sep-13
Capital reserve		
Balance as per last balance sheet	11.72	11.72
Capital redemption reserve		
Balance as per last balance sheet	9.10	9.10
Securities premium account		
Balance as per last balance sheet	993.65	993.65

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

(₹ Crores)

Particulars	As at 31-Mar-15	As at 30-Sep-13
Debenture redemption reserve		
Balance as per last balance sheet	91.62	168.48
Less: Transferred from / (to) Statement of Profit and Loss	3.03	(76.86)
	94.65	91.62
General reserve		
Balance as per last balance sheet	280.62	280.62
Employee stock options outstanding		
Balance as per last balance sheet	-	2.27
Less : Options lapsed	-	(2.27)
	-	-
Cash flow hedging reserve		
Balance as per last balance sheet	-	(16.78)
Less: Transferred to Statement of Profit and Loss	-	16.78
	-	-
Foreign Currency Monetary Item Translation Difference Account		
Balance as per last balance sheet	(4.56)	(0.98)
Add : Addition during the period	(25.82)	(3.91)
Less : Amortisation for the period	4.56	0.33
	(25.82)	(4.56)
Surplus in the Statement of Profit and Loss		
Balance brought forward from previous period	2,328.84	1,380.16
Profit for the period	348.76	920.16
Transferred (to) / from Debenture redemption reserve	(3.03)	76.86
Proposed dividend - Equity Shares	-	(41.32)
Corporate dividend tax thereon	-	(7.02)
	2,674.57	2,328.84
TOTAL	4,038.49	3,710.99

4. LONG-TERM BORROWINGS

(₹ Crores)

Particulars	As at 31-Mar-15		As at 30-Sep-13	
	Current	Non Current	Current	Non Current
a) Debentures (Secured) (Refer i and vi below)	92.34	496.66	70.00	730.00
b) Term Loans				
- Secured (Refer ii, iii and vi below)				
From banks				
- Rupee Loans	1,588.22	5,193.77	1,735.52	5,911.84
- Foreign currency loans	133.35	953.73	532.44	1,663.74
	1,721.57	6,147.50	2,267.96	7,575.58

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

(₹ Crores)

Particulars	As at 31-Mar-15		As at 30-Sep-13	
	Current	Non Current	Current	Non Current
From Financial Institutions				
- Rupee Loans	94.38	542.73	11.88	540.15
- Foreign currency loans	143.96	-	10.63	162.26
	238.34	542.73	22.51	702.41
	1,959.91	6,690.23	2,290.47	8,277.99
- Unsecured (Refer note iv and vi below)				
From banks				
- Foreign currency loans	25.67	34.23	21.47	75.12
	25.67	34.23	21.47	75.12
c) Other loans & advances (Refer v below)				
- Secured				
Vehicle loan from Banks	1.16	2.38	2.19	2.36
(Secured by vehicle under hypothecation with bank)				
TOTAL	2,079.08	7,223.50	2,384.13	9,085.47

(i) a) Debentures outstanding at the period end are redeemable as follows

Particulars	Nos	31-Mar-15 (₹ Crores)	30-Sep-13 (₹ Crores)	Date of Redemption
12.00% Redeemable Non convertible Debentures	375	37.50	37.50	1-Feb-20
12.00% Redeemable Non convertible Debentures	375	37.50	37.50	1-Aug-19
12.00% Redeemable Non convertible Debentures	375	37.50	37.50	1-Feb-19
13.00% Redeemable Non convertible Debentures	334	33.34	33.34	18-Oct-18
12.00% Redeemable Non convertible Debentures	375	37.50	37.50	1-Aug-18
12.00% Redeemable Non convertible Debentures	375	37.50	37.50	1-Feb-18
13.00% Redeemable Non convertible Debentures	333	33.33	33.33	18-Oct-17
12.00% Redeemable Non convertible Debentures	375	37.50	37.50	1-Aug-17
13.50% Redeemable Non convertible Debentures	-	-	30.00	3-Mar-17
14.50% Redeemable Non convertible Debentures	366	36.66	36.66	2-Mar-17
12.00% Redeemable Non convertible Debentures	375	37.50	37.50	1-Feb-17
13.00% Redeemable Non convertible Debentures	333	33.33	33.33	18-Oct-16
12.00% Redeemable Non convertible Debentures	375	37.50	37.50	1-Aug-16
11.50% Redeemable Non convertible Debentures	560	56.00	56.00	29-Jun-16
12.50% Redeemable Non convertible Debentures	40	4.00	4.00	29-Jun-16
14.50% Redeemable Non convertible Debentures	367	36.67	36.67	2-Mar-16
13.50% Redeemable Non convertible Debentures	-	-	30.00	2-Mar-16
12.50% Redeemable Non convertible Debentures	190	19.00	70.00	28-Jun-15
14.50% Redeemable Non convertible Debentures	367	36.67	36.67	3-Mar-15
13.50% Redeemable Non convertible Debentures	-	-	30.00	3-Mar-15
12.50% Redeemable Non convertible Debentures	-	-	70.00	28-Jun-14
TOTAL		589.00	800.00	

b) All the debentures are secured by pari passu charge on the immovable property situated at Mouje Irana, Taluka Kadi, District Mehsana in the state of Gujarat. Further, Debentures of ₹ 300 Crores are secured by first pari passu charge created on fixed assets of the company and Debentures of ₹ 289 Crores are secured by subservient charge on fixed and current assets of the Company (excluding Land and Building).

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

(ii) Security for term loans

(₹ Crores)

Particulars	Banks	Financial Institutions	Total
Exclusive charge on Plant & Machinery and specific assets financed *	862.17 (1,202.48)	- (-)	862.17 (1,202.48)
Pari pasu first charge created on the entire fixed assets of the Company #	6,384.49 (6,240.70)	637.11 (252.03)	7,021.60 (6,492.73)
Subservient charge on all movable and current assets of the Company @	522.41 (2,400.36)	143.96 (472.89)	666.37 (2,873.25)
Fixed deposit placed with the bank.	100.00 (-)	- (-)	100.00 (-)
TOTAL	7,869.07 (9,843.54)	781.07 (724.92)	8,650.14 (10,568.46)

* Includes loans aggregating to ₹ 123.63 Crores (Previous period ₹ 214.31 Crores) which are further secured by personal guarantees of promoter directors / promoter group companies

Includes Bank loans aggregating to ₹ 1,958.34 Crores (Previous period ₹ 1,167.73 Crores) & Financial Institution loans aggregating to ₹ 108.13 Crores (Previous period ₹ 18.28 Crores) which are further secured by personal guarantees of promoter directors / promoter group Companies.

Includes Bank loans aggregating ₹ 312.50 Crores (Previous period Nil) secured by charge created on part of the land owned by Alok Infrastructure Limited, wholly owned subsidiary of the Company.

Includes Bank loans aggregating ₹ 300 Crores (Previous period Nil) for which charge is being created on part of the land owned by Alok Infrastructure Limited, wholly owned subsidiary of the Company.

@ Includes Banks loans aggregating to ₹ 85.61 Crores (Previous period ₹ 80.80 Crores) which are further secured by personal guarantees of promoter directors / promoter group Companies

(iii) Terms of repayment of Secured Term Loans

(₹ Crores)

Particulars	Rate of Interest	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years	Total
Rupee Term Loan From Banks	11.55% - 15.75% (12% - 15.75%)	1,182.19 (1,644.18)	1,157.51 (1,361.59)	864.97 (1,155.34)	1,989.09 (1,750.73)	5,193.76 (5,911.84)
Foreign Currency Term Loan From Banks	1.27% - 7.35% (1.44% - 6.00%)	160.27 (187.02)	165.66 (228.97)	395.61 (230.04)	232.20 (1,017.71)	953.74 (1,663.74)
Rupee Term Loan From Financial Institutions	9.00% - 15.00% (9.00% - 12.50%)	186.25 (40.63)	186.48 (111.41)	77.50 (108.75)	92.50 (279.36)	542.73 (540.15)
Foreign Currency Term Loan From Financial Institutions	- (2.96% - 5.40%)	- (162.26)	- (-)	- (-)	- (-)	- (162.26)
TOTAL	-	1,528.71 (2,034.09)	1,509.65 (1,701.97)	1,338.08 (1,494.13)	2,313.79 (3,047.80)	6,690.23 (8,277.99)

(iv) Terms of repayment of Unsecured Term Loan

(₹ Crores)

Particulars	Rate of Interest	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years	Total
Foreign Currency Term Loan From Banks	2.88% - 2.89% (2.88% - 2.89%)	17.11 (21.46)	17.12 (21.46)	- (21.46)	- (10.74)	34.23 (75.12)

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

(v) Terms of repayment of Other loans and advances

(₹ Crores)

Particulars	Rate of Interest	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years	Total
Vehicle Loan	10.65% - 12.20%	0.99	0.86	0.50	0.03	2.38
	(9.50% - 11.50%)	(1.88)	(0.27)	(0.21)	-	(2.36)

(vi) The Company has defaulted in repayment of principal and interest payments. The period and amount of continuing default as on the Balance sheet date are as under:

a) Principal Amounts:

(₹ Crores)

Particulars	0-30 days	31-90 days	91-180 days	Above 180 days	Total
a) Debentures	36.67	-	-	-	36.67
	(-)	(-)	(-)	(-)	(-)
b) Term Loans					
- Secured					
From banks:					
- Rupee loans	103.21	72.34	-	-	175.55
	(-)	(-)	(-)	(-)	(-)
- Foreign currency loans	13.26	1.82	-	-	15.08
	(-)	(-)	(-)	(-)	(-)
From Financial Institutions:					
- Rupee loans	-	1.88	-	1.88	3.76
	(-)	(-)	(-)	(-)	(-)
- Foreign currency loans	-	143.96	-	-	143.96
	(-)	(-)	(-)	(-)	(-)
- Unsecured					
From banks:					
- Foreign currency loans	-	4.81	3.74	-	8.55
	(-)	(-)	(-)	(-)	(-)
Total	153.14	224.81	3.74	1.88	383.57
	(-)	(-)	(-)	(-)	(-)

b) Interest:

(₹ Crores)

Particulars	0-30 days	31-90 days	91-180 days	Above 180 days	Total
a) Debentures	5.50	9.28	9.60	-	24.38
	(-)	(-)	(-)	(-)	(-)
b) Term Loans					
- Secured					
From banks:					
- Rupee loans	57.22	73.81	1.50	-	132.53
	(-)	(-)	(-)	(-)	(-)
- Foreign currency loans	2.03	1.77	-	-	3.80
	(-)	(-)	(-)	(-)	(-)
From Financial Institutions:					
- Rupee loans	0.21	23.75	0.45	0.26	24.67
	(-)	(-)	(-)	(-)	(-)
- Foreign currency loans	-	1.99	-	-	1.99
	(-)	(-)	(-)	(-)	(-)
- Unsecured					
From banks:					
- Foreign currency loans	-	0.40	-	-	0.40
	(-)	(-)	(-)	(-)	(-)
Total	64.96	111.00	11.55	0.26	187.77
	(-)	(-)	(-)	(-)	(-)

Previous period figures are given in brackets.

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

5. TAXATION

(₹ Crores)

Particulars	As at 31-Mar-15	As at 30-Sep-13
(a) Current Tax comprises of		
Current tax for the period	93.09	449.31
Less : Excess provision of tax relating to earlier years	0.19	6.94
	92.90	442.37
(b) Deferred tax liability (net) comprises of timing difference on account of		
Deferred tax liability:		
Depreciation	911.72	816.15
Deferred tax asset:		
Mark to Market loss on derivative contracts	(15.89)	(51.14)
Share issue expenses	(1.35)	(3.75)
Provision for employee benefits	(9.88)	(8.30)
Provision for doubtful debts and advances	(16.34)	(88.82)
Deferred tax liability (net)	868.26	664.14

6. OTHER LONG-TERM LIABILITIES

(₹ Crores)

Particulars	As at 31-Mar-15	As at 30-Sep-13
Advance from customer	2,764.35	-
Fair value of foreign currency forward and option contracts	-	177.47
TOTAL	2,764.35	177.47

- i) The Company has received a long term export advance of ₹ 2,909.85 crores from a customer with supply schedule over a period of 10 years. Export advance has been secured by performance guarantees given by banks to the customer. Such guarantees are to be secured by first charge on the immovable assets and second charge on the current assets of the Company on pari passu basis. The Company is taking necessary steps towards creation of such charge.

7. PROVISIONS

(₹ Crores)

Particulars	As at 31-Mar-15			As at 30-Sep-13		
	Long term	Short term	Total	Long term	Short term	Total
For employee benefits	21.03	7.52	28.55	16.88	7.53	24.41
Proposed dividend	-	-	-	-	41.32	41.32
Corporate dividend tax	-	7.91	7.91	-	7.02	7.02
Provision for taxation (net of advance tax)	-	225.53	225.53	-	221.40	221.40
TOTAL	21.03	240.96	261.99	16.88	277.27	294.15

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

8. SHORT-TERM BORROWINGS

(₹ Crores)

Particulars	As at 31-Mar-15	As at 30-Sep-13
Working capital loans :		
Cash Credit accounts, working capital demand loan etc. (Secured) (Refer (i) below)		
From Banks	5,541.20	4,240.93
(Includes ₹ 598.27 Crores (Previous period ₹ 786.37 Crores) loans in foreign currency)		
From Financial Institutions	129.71	129.63
(Includes ₹ Nil (Previous period ₹ 72.73 Crores) loans in foreign currency)		
Cash Credit accounts, working capital demand loans etc. (Unsecured)		
From Banks	-	29.08
(Includes ₹ Nil (Previous period ₹ 29.08 Crores) loans in foreign currency)		
Inter Corporate Deposit (Secured) \$	75.00	-
Inter Corporate Deposit (Unsecured)	122.94	-
Public deposits (secured)	-	0.94
Short term loan		
Secured (Refer (ii) and (iii) below)		
- Rupee Loans		
From Banks	100.00	100.00
From Financial Institutions	75.24	60.00
	175.24	160.00
	175.24	160.00
TOTAL	6,044.09	4,560.58

(₹ Crores)

Nature of security	Banks	Financial Institutions	Total
Security for Working capital loans :			
(i) Hypothecation of company's current assets and mortgage of certain immovable properties belonging to the company#	5,405.61 (3,950.66)	129.70 (51.25)	5,535.31 (4,001.91)
(ii) Second charge created on all fixed assets (excluding land and building) of the company #			
Subservient charge created on all moveable and current assets of the company and further secured by personal guarantees of promoter directors. *	135.59 (290.27)	0.01 (78.38)	135.60 (368.65)
TOTAL	5,541.20 (4,240.93)	129.71 (129.63)	5,670.91 (4,370.56)

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

(₹ Crores)

Nature of security	Banks	Financial Institutions	Total
Security for Short Term Loans			
(i) Hypothecation of company's current assets on first pari passu basis.	100.00 (-)	- (-)	100.00 (-)
(ii) First mortgage charge created on all fixed assets of the company on pari passu basis.			
Subservient charge on all movable and current assets of the Company @	- (100.00)	75.24 (60.00)	75.24 (160.00)
TOTAL	100.00 (100.00)	75.24 (60.00)	175.24 (160.00)

Includes Bank loans aggregating ₹ 1377.25 Crores (Previous period Nil) for which charge is being created on part of the land owned by Alok Infrastructure Limited, wholly owned subsidiary of the Company.

* Includes Bank loans aggregating ₹ 41.79 Crores (Previous period Nil) secured by charge created / is being created on part of the land owned by Alok Infrastructure Limited, wholly owned subsidiary of the Company.

@ Includes Bank loans aggregating ₹ 75.54 Crores (Previous period Nil) secured by charge created / is being created on part of the land owned by Alok Infrastructure Limited, wholly owned subsidiary of the Company.

\$ Secured by first charge on two floors of Peninsula Business Park and second charge on one floor of Peninsula Business Park & three floors of Ashford Centre owned by Alok Infrastructure Limited, wholly owned subsidiary of the Company.

(iii) The Company has defaulted in repayment of principal and interest payments. The period and amount of continuing default as on the Balance sheet date are as under:

a) Principal amounts:

(₹ Crores)

Particulars	0-30 days	31-90 days	Total
Secured			
- Rupee loans			
From Banks	100.00 (-)	- (-)	100.00 (-)

b) Interest:

(₹ Crores)

Particulars	0-30 days	31-90 days	Total
Secured			
- Rupee loans			
From Banks	1.25 (-)	2.38 (-)	3.63 (-)
- Rupee loans			
From Financial Institutions	1.03 (-)	0.60 (-)	1.63 (-)
TOTAL	2.28 (-)	2.98 (-)	5.26 (-)

Previous period figures are given in brackets.

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

9. TRADE PAYABLES

(₹ Crores)

Particulars	As at 31-Mar-15	As at 30-Sep-13
Acceptances	2,250.96	929.81
Other than Acceptances	1,129.22	856.62
TOTAL	3,380.18	1,786.43

Information as per Micro, Small & Medium Enterprises Act:

(₹ Crores)

Particulars	As at 31-Mar-15	As at 30-Sep-13
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting period	15.27	0.96
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting period	6.42	0.06
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the period	6.42	0.60
(v) The amount of interest accrued and remaining unpaid at the end of the accounting period	6.42	0.60
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	0.88	0.04

The above information has been determined on the basis of information available with the Company.

10. OTHER CURRENT LIABILITIES

(₹ Crores)

Particulars	As at 31-Mar-15	As at 30-Sep-13
Current maturities of long-term borrowings (Refer note no.4)	2,079.08	2,384.13
Interest accrued but not due on borrowings	42.20	20.98
Interest accrued and due on borrowings	193.03	-
Unclaimed dividends (Refer note below)	1.37	1.08
Fair value of foreign currency forward and option contracts	45.92	-
Other payables		
Advance from customers (Refer note no.6(i))	200.60	69.75
Advance from Related parties (Refer note no. 28)	765.37	1,318.87
Creditors for Capital Goods	31.65	33.24
Towards statutory liabilities	22.68	5.75
Others	12.35	12.35
TOTAL	3,394.25	3,846.15

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

11. FIXED ASSETS

Description Of Assets	Gross Block			Depreciation / Amortisation			Net Block	
	As at 1-Oct-13	Additions	Deductions/ Adjustments	As at 31-Mar-15	As at 1-Oct-13	For The Period	As at 31-Mar-15	As at 30-Sep-13
TANGIBLE ASSETS :								
Freehold Land	127.41	1.80	1.51	127.70	-	-	127.70	127.41
Leasehold Land	0.80	-	-	0.80	0.18	0.01	0.61	0.62
Buildings	2,619.82	76.40	-	2,696.22	346.82	123.85	2,225.55	2,273.00
Plant and Equipments	9,827.19	507.39	5.60	10,328.98	3,239.35	1,294.38	5,799.10	6,587.84
Furniture and Fixtures	85.05	7.66	-	92.71	30.37	8.71	54.06	54.68
Vehicles	22.26	5.14	3.92	23.48	7.97	3.32	13.93	14.29
Office Equipment	12.28	1.13	0.11	13.30	4.89	1.22	7.22	7.39
Office Premises	26.08	0.02	-	26.10	3.79	0.65	21.66	22.29
Computer and Equipments	32.99	0.87	0.06	33.80	24.94	5.06	3.86	8.05
Tools and Equipment	87.43	1.64	0.05	89.02	26.10	10.05	52.88	61.33
Sub - Total	12,841.31	602.05	11.25	13,432.11	3,684.41	1,447.25	8,306.57	9,156.90
PREVIOUS PERIOD	10,853.65	1,994.50	6.84	12,841.31	2,339.11	1,347.23	9,156.90	
INTANGIBLE ASSETS :								
Trademarks / Brands	55.04	-	-	55.04	34.40	8.26	12.38	20.64
Computer Software	18.42	1.39	-	19.81	12.53	5.70	1.58	5.89
Sub - Total	73.46	1.39	-	74.85	46.93	13.96	13.96	26.53
PREVIOUS PERIOD	72.86	4.09	3.49	73.46	35.31	13.54	26.53	
Total	12,914.77	603.44	11.25	13,506.96	3,731.34	1,461.21	8,320.53	9,183.43
TOTAL PREVIOUS PERIOD	10,926.51	1,998.59	10.33	12,914.77	2,374.42	1,360.77	9,183.43	

NOTES :

1. Plant & Machinery includes :
 - a Exchange difference (net) of ₹ 71.20 Crores (Previous period ₹ 220.80 Crores) on restatement of long term borrowings payable in foreign currency.
 - b Interest capitalised ₹ 17.95 Crores (Previous period ₹ 71.95 Crores)

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

12. NON CURRENT INVESTMENTS (Unquoted)

(₹ Crores)

Particulars	No. of shares of face value of ₹ 10 each fully paid-up unless otherwise specified	As at 31-Mar-15	As at 30-Sep-13
a) Investment in Equity shares			
In Subsidiary Companies - Trade			
Alok International Inc. (₹ 43,225/-) (Face value of USD 1 each)	1,000	0.00	0.00
Alok Infrastructure Limited (Pledged against finance availed by Alok Infrastructure Limited)	50,000	0.05	0.05
Alok Singapore Pte. Ltd. (₹ 49/-) (Face value of USD 1 each) (Pledged against finance availed by Alok Singapore Pte. Ltd.)	1	0.00	0.00
Alok International (Middle East) FZE (Face value of UAE Dirhams One Million) (Pledged against finance availed by Alok International (Middle East) FZE)	1	1.31	1.31
Alok Worldwide Limited (₹ 6,252/-) (Face value of USD 1 each)	100	0.00	0.00
Alok Global Trading (Middle East) FZE (₹ 16,985/-) (Face value of UAE Dirhams 1000)	1	0.00	-
		1.36	1.36
In Joint Venture Companies			
Aurangabad Textiles & Apparel Parks Limited	1,019,200	17.25	17.25
New City Of Bombay Mfg. Mills Limited	4,493,300	75.13	75.13
		92.38	92.38
Others			
Trimphant Victory Holdings Limited (₹ 90.14/-) (Face value of USD 1 each)	2	0.00	0.00
Dombivali Nagari Sahakari Bank Limited (Face value of ₹ 50 each)	10,000	0.05	0.05
Kalyan Janata Sahakari Bank Limited (Face value of ₹ 25 each)	10,000	0.03	0.03

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

(₹ Crores)

Particulars	No. of shares of face value of ₹ 10 each fully paid-up unless otherwise specified	As at 31-Mar-15		As at 30-Sep-13	
Saraswat Bank Limited (₹ 25,000/-) (Pledged against finance availed by company)	2,500	0.00		0.00	
Interest in Alok Benefit Trust (See note below)		35.33		35.33	
Wel-Treat Environ Management Organisation (₹ 36,500/-)	3,650	0.00		0.00	
			35.41		35.41
b) Investment in Preference shares - others					
Triumphant Victory Holdings Limited (0% Redeemable cumulative Preference shares, face value of USD 1 each)	35,466,960		219.00		-
TOTAL			348.15		129.15

The Trust is holding 19,459,382 Equity Shares [Previous Year 19,459,382] of ₹ 10/- of Alok Industries Limited, the sole beneficiary of which is the Company. [The Market Value of Shares held in Trust is ₹ 14.40 crores (Previous Year ₹ 15.51 crores)]

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

13. LONG TERM LOANS & ADVANCES

(₹ Crores)

Particulars	As at 31-Mar-15	As at 30-Sep-13
Unsecured and considered good		
Capital advances	49.15	62.69
Lease and security deposits	10.34	7.95
Loan to Alok Infrastructure Limited, wholly owned subsidiary	1,428.54	1,467.87
Other Loans and advances		
Prepaid expenses	120.49	67.01
Advance tax (net of provision for tax)	52.01	31.83
MAT credit entitlement	87.74	-
	1,748.27	1,637.35
Unsecured and considered doubtful		
Capital advances	-	14.90
Less : Provision for doubtful advances	-	14.90
	-	-
TOTAL	1,748.27	1,637.35

14. CURRENT INVESTMENTS (at lower of cost and fair value)

(₹ Crores)

Particulars	As at 31-Mar-15	As at 30-Sep-13
Investments in Bonds		
Laxmi Vilas Bank Tier II Bonds	2.00	2.00
[20 Bonds of ₹ 10,00,000 each]		
Investments in Mutual funds - Unquoted		
Axis Infrastructure Fund 1 scheme	0.81	0.73
[8,113 (previous period 7,314) units of ₹ 1000/- each]		
TOTAL	2.81	2.73

15. INVENTORIES (At lower of cost and net realisable value)

(₹ Crores)

Particulars	As at 31-Mar-15	As at 30-Sep-13
Raw Materials		
(includes material in transit ₹ 10.40 Crores (Previous period ₹ 58.26 Crores))	138.92	288.23
Work-in-progress		
Finished goods	7,886.89	4,849.46
	206.16	525.04
Stores and Spares	8,231.97	5,662.73
Packing Material	44.45	56.18
	8.16	7.56
TOTAL	8,284.58	5,726.47

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

16. TRADE RECEIVABLES

(₹ Crores)

Particulars	As at 31-Mar-15	As at 30-Sep-13
Debts outstanding for a period exceeding six months from due date	161.84	104.14
Less : Provision for doubtful debts	34.64	31.28
	127.20	72.86
Other Debts	7,404.55	4,933.92
Less : Provision for doubtful debts	-	63.69
	7,404.55	4,870.23
	7,531.75	4,943.09
Unsecured		
Considered Good	7,531.75	4,943.09
Considered Doubtful	34.64	94.97
TOTAL	7,566.39	5,038.06

- (i) Debtors include dues from parties aggregating to ₹ 0.05 Crores (Previous period ₹ 1.54 Crores) in which a director is a director/partner
- (ii) Refer note no 28 for related party balances.

17. CASH AND BANK BALANCES

(₹ Crores)

Particulars	As at 31-Mar-15	As at 30-Sep-13
A Cash and Cash equivalents		
Cash on hand	0.74	0.39
Balance with Bank		
(i) In current accounts	92.43	728.72
(ii) In EEFC accounts	-	0.03
Total Cash and Cash equivalents (A)	93.17	729.14
B Other bank balances		
(i) In earmarked accounts		
- Unclaimed dividend accounts	1.37	1.08
- Balances / deposits held as margin money or security against borrowings, guarantees and other commitments	540.21	152.43
Total other bank balances (B)	541.58	153.51
TOTAL	634.75	882.65

Margin monies include ₹ 198.24 Crores (Previous period ₹ 22.33 Crores) which have an original maturity of more than 12 months and ₹ 9.23 Crores (Previous period ₹ 4.26 Crores) which have a maturity of more than 12 months from the Balance Sheet date.

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

18. SHORT-TERM LOANS AND ADVANCES

(₹ Crores)

Particulars	As at 31-Mar-15	As at 30-Sep-13
Secured		
Inter Corporate Deposits	-	36.50
Unsecured, considered good		
Loans and advances :		
To related parties (Refer note no. 28)	285.49	156.52
To vendors	1,712.08	1,755.02
To Staff (Refer note (a) below)	4.26	5.66
Others		
Balance with Central excise, customs and Sales tax authorities	143.71	241.58
Prepaid expenses	126.36	50.74
Inter Corporate Deposits	1.20	1.54
	2,273.10	2,247.56
Unsecured, considered doubtful		
Advances to vendors	-	2.50
Less : Provision for doubtful advances	-	2.50
	-	-
TOTAL	2,273.10	2,247.56

- a) Advance to staff includes ₹ 0.08 Crore (Previous period ₹ 0.23 Crore) due from officers of the Company [maximum amount outstanding during the period ₹ 0.23 Crores (Previous period ₹ 0.40 Crores)]

19. OTHER CURRENT ASSETS

(₹ Crores)

Particulars	As at 31-Mar-15	As at 30-Sep-13
Considered good		
Interest subsidy receivable	77.99	76.11
Unutilised DEPB licence	1.63	2.10
Export Incentive Receivable	71.36	82.87
Interest receivable	1.24	6.82
Fair value of foreign currency forward and option contracts	-	27.00
Others	0.06	0.05
	152.28	194.95
Considered doubtful		
Interest subsidy receivable	-	24.03
Less : Provision	-	24.03
	-	-
TOTAL	152.28	194.95

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

20. REVENUE FROM OPERATIONS

(₹ Crores)		
Particulars	18 Months ended 31-Mar-15	18 Months ended 30-Sep-13
a) Sale of goods	22,258.52	20,310.48
b) Sale of services		
Job work charges collected	86.54	49.62
c) Other operating revenue		
Sale of Scrap	15.55	14.37
TOTAL	22,360.61	20,374.47

21. OTHER INCOME

(₹ Crores)		
Particulars	18 Months ended 31-Mar-15	18 Months ended 30-Sep-13
Interest income		
- Bank fixed deposits	36.63	31.85
- Inter corporate deposits	3.80	4.30
- Others	134.14	294.75
	174.57	330.90
Dividend income on long term investment	1.48	3.40
Exchange rate difference (net)	37.20	-
Profit from sale of fixed assets (net)	-	0.72
Provision for doubtful advances written back	-	1.95
Sundry credit balance written back	2.75	2.28
Rent received	5.76	0.80
Other non operating income	3.06	1.86
TOTAL	224.82	341.91

22. CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ Crores)		
Particulars	18 Months ended 31-Mar-15	18 Months ended 30-Sep-13
Closing Stock as on 31 March 2015		
Work-in-progress	7,886.89	4,849.46
Finished Goods	206.16	525.04
	8,093.05	5,374.50
Less : Opening Stock as on 1 October 2013		
Work-in-progress	4,849.46	2,220.77
Finished Goods	525.04	644.58
	5,374.50	2,865.35
TOTAL	2,718.55	2,509.15

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

23. EMPLOYEE BENEFIT EXPENSES

(₹ Crores)

Particulars	18 Months ended 31-Mar-15	18 Months ended 30-Sep-13
Salaries and wages	386.58	407.13
Contribution to provident and other funds	14.79	18.34
Employees welfare expenses	11.22	9.21
TOTAL	412.59	434.68

24. FINANCE COSTS

(₹ Crores)

Particulars	18 Months ended 31-Mar-15	18 Months ended 30-Sep-13
Interest expense	2,884.59	2,358.63
(Net of interest subsidy ₹ 133.94 Crores (Previous period ₹ 182.85 Crores))		
Interest on late payment of taxes	13.75	5.82
Other borrowing costs	352.82	178.00
TOTAL	3,251.16	2,542.45

25. OTHER EXPENSES

(₹ Crores)

Particulars	18 Months ended 31-Mar-15	18 Months ended 30-Sep-13
Stores and spares consumed	78.70	79.65
Packing materials consumed	143.49	238.67
Power and fuel	714.06	1,130.22
Processing charges	100.31	117.24
Labour charges	81.41	106.06
Marketing service charges	219.98	113.34
Freight, coolie and cartage	135.34	193.96
Legal and professional fees	34.75	40.89
Rent	29.09	20.00
Rates and taxes	16.82	25.99
Share issue expenses	-	6.32
Repairs and maintenance		
Plant and machinery	15.32	17.92
Factory building	1.11	3.38
Others	6.82	7.83
	23.25	29.13
Commission on sales	30.73	61.13
Loss on exchange rate difference (net)	-	127.42
Provision for doubtful debts	82.19	84.50
Provision for doubtful advances	7.24	30.36
Bad debts and advances written off (net)	2.87	-
Loss on sale of investment (net)	-	0.02

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

(₹ Crores)

Particulars	18 Months ended 31-Mar-15	18 Months ended 30-Sep-13
Directors remuneration	11.72	13.17
Directors fees and commission	5.67	7.56
Auditors remuneration (Refer note below)	2.71	2.36
Loss on sale of assets (net)	0.36	-
Insurance	29.99	28.65
Miscellaneous expenses	259.19	201.76
TOTAL	2,009.87	2,658.40
Auditor's remuneration (excluding service tax)		
Audit and related fees	2.40	2.16
Tax related services	-	0.06
Certification fees	0.30	0.13
Reimbursement of expenses	0.01	0.01
TOTAL	2.71	2.36

26 Contingent Liabilities in respect of :

(₹ Crores)

Sr. No.	Particulars	31-Mar-15	30-Sep-13
A	Custom duty on shortfall in export obligation in accordance with EXIM Policy (The Company is hopeful of meeting the export obligation within the stipulated period)	Amount Unascertained	Amount Unascertained
B	Corporate guarantees given to banks for loans taken by subsidiary companies	1747.44	2,642.48
C	Bills discounted	33.77	365.18
D	Claims against the Company not acknowledged as debts :		
	a) Income taxes	6.18	0.31
	b) Maharashtra value added tax	8.07	8.07
	c) Other tax demands	1.57	1.57
	d) Others – disputes under litigation	-	19.34

27 Capital Commitments

(₹ Crores)

Particulars	31-Mar-15	30-Sep-13
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	55.99	86.54

28 Related Party Disclosure

A) Name and Transaction / balances with related parties

I. Name of related parties and nature of relationship

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

(i) Associate companies

Alspun Infrastructure Limited
 Ashford Infotech Private Limited

Next Creation Holdings LLC (up to 7 April 2014)

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

(ii) Entities under common control

Alok Denims (India) Limited
Alok Textile Traders
Triumphant Victory Holdings Limited.
D. Surendra & Co.

Alok Knit Exports Limited
Ashok Realtors Private Limited
Nirvan Exports
Pramatex Enterprises

(iii) Subsidiaries

Alok Industries International Ltd.
Alok International, Inc.
Alok International (Middle East) FZE
Alok Worldwide Limited
Mileta, a.s.
Alok Global Trading (Middle East) FZE
(Incorporated on 7 July 2014)
Alok Global Singapore Pte. Ltd.
(Incorporated on 7 March 2014)
Alok Trading Singapore Pte. Ltd.
(Incorporated on 7 March 2014)
Liquidation under process

Alok Infrastructure Limited
Springdale Information and Technologies Private Limited #
Kesham Developers & Infotech Private Limited #
Alok Singapore Pte Ltd.
Grabal Alok (UK) Limited
Grabal Alok International Limited

Alok Merchant Singapore Pte. Ltd.
(Incorporated on 7 March 2014)
Alok Universal Singapore Pte. Ltd.
(Incorporated on 7 March 2014)

(iv) Joint Venture

Aurangabad Textiles & Apparel Parks Limited
New City Of Bombay Mfg. Mills Limited

(v) Key Management Personnel

<p>Ashok B. Jiwrajka Chandrakumar Bubna (Resigned w.e.f 30 September 2013) Dilip B. Jiwrajka Surendra B. Jiwrajka Sunil O Khandelwal (appointed as Executive Director w.e.f. 10 November 2012) K H Gopal (appointed as Executive Director w.e.f.10 November 2012) Alok A. Jiwrajka – COO (w.e.f.1 December 2012) Varun S Jiwrajka – Joint COO (w.e.f.1 December 2012) Neeraj D. Jiwrajka – Joint COO (w.e.f.1 December 2012)</p>		<p>Director</p>
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(vi) Relatives of Key Management Personnel

Alok A. Jiwrajka (up to 30 November 2012)
Varun S Jiwrajka (up to 30 November 2012)
Neeraj D. Jiwrajka (up to 30 November 2012)
Suryaprakash Bubna (resigned w.e.f.28 February 2013)

(vii) Firms in which Relatives of Key Management Personnel are interested

AVAN Packaging & Boards
Linear Design
C. J. Corporation

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

II. Transactions with related parties.

(₹ Crores)

	Transaction	Associate companies	Entities under common control	Subsidiaries	Joint Venture Companies	Total
a)	Long term loans & advances					
	Alok Infrastructure Limited					
	Balance as at 1 Oct	-	-	1,467.87	-	1,467.87
		(-)	(-)	(-)	(-)	(-)
	Granted during the period	-	-	535.73	-	535.73
		(-)	(-)	(3,953.80)	(-)	(3,953.80)
	Recovered / Adjusted during the period (net)	-	-	460.06	-	460.06
		(-)	(-)	(2,485.93)	(-)	(2,485.93)
	Written off during the period	-	-	115.00	-	115.00
		(-)	(-)	(-)	(-)	(-)
	Balance as at 31 Mar	-	-	1,428.54	-	1,428.54
		(-)	(-)	(1,467.87)	(-)	(1,467.87)
b)	Short term loans and advances					
	Balance as at 1 Oct	-	0.01	156.51	-	156.52
		(-)	(0.01)	(129.49)	(-)	(129.50)
	Granted during the period	-	-	313.63	-	313.63
		(-)	(-)	(439.38)	(-)	(439.38)
	Received / Adjusted during the period (net)	-	(0.01)	184.65	-	184.64
		(-)	(-)	(303.11)	(-)	(303.11)
	Written off during the period	-	-	-	-	-
		(-)	(-)	(109.25)	(-)	(109.25)
	Balance as at 31 March	-	-	285.49	-	285.49
		(-)	(0.01)	(156.51)	(-)	(156.52)
c)	Non current investments					
	Balance as at 1 Oct	-	-	1.36	92.38	93.74
		(-)	(-)	(39.00)	(92.38)	(131.38)
	Invested during the period	-	219.00	0.00*	-	219.00
		(-)	(-)	(-)	(-)	(-)
	Redeemed / Transferred during the period	-	-	-	-	-
		(-)	(-)	(37.64)	(-)	(37.64)
	Balance as at 31 Mar	-	219.00	1.36	92.38	312.74
		(-)	(-)	(1.36)	(92.38)	(93.74)
d)	Trade Receivables					
	Balance as at 31 Mar	0.03	-	106.36	0.00	106.39
		(0.84)	(-)	(52.70)	(0.69)	(54.23)

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

(₹ Crores)

	Transaction	Associate companies	Entities under common control	Subsidiaries	Joint Venture Companies	Total
e)	Trade payables					
	Balance as at 31 Mar	-	34.75	-	-	34.75
		(-)	(-)	(0.48)	(26.47)	(26.95)
f)	Other Current Liabilities					
	Balance as at 31 Mar	-	-	765.37	-	765.37
		(-)	(-)	(1,318.87)	(-)	(1,318.87)
g)	Guarantee outstanding					
	Balance as at 1 Oct	-	-	2,642.48	-	2,642.48
		(-)	(-)	(977.62)	(-)	(977.62)
	Given during the period/exchange restatement	-	-	1,392.98	-	1,392.98
		(-)	(-)	(1,881.47)	(-)	(1,881.47)
	Expired/adjusted during the period	-	-	2,288.02	-	2,288.02
		(-)	(-)	(216.61)	(-)	(216.61)
	Balance as at 31 Mar	-	-	1,747.44	-	1,747.44
		(-)	(-)	(2,642.48)	(-)	(2,642.48)
h)	Sales of Goods	0.03	-	1,336.83	0.00	1,336.86
		(16.77)	(-)	(931.35)	(1.17)	(949.29)
i)	Expenditure					
	Purchase of semi finished goods	-	253.37	-	13.50	266.87
		(-)	(66.27)	(3.23)	(86.04)	(155.54)
	Purchase of Fixed Assets	-	-	30.29	-	30.29
		(-)	(-)	(425.01)	(-)	(425.01)
	Sales Promotion Expenses	-	-	0.35	-	0.35
		(-)	(-)	(-)	(-)	(-)
	Rent	-	2.97	12.88	-	15.85
		(-)	(-)	(4.02)	(-)	(4.02)
	Marketing Service Charges	-	-	219.98	-	219.98
		(-)	(-)	(113.34)	(-)	(113.34)
j)	Dividend Paid	-	11.91	-	-	11.91
		(-)	(5.76)	(-)	(-)	(5.76)
k)	Income					
	Dividend	-	-	-	1.47	1.47
		(-)	(-)	(-)	(3.38)	(3.38)
	Rent	-	-	0.59	-	0.59
		(-)	(0.11)	(0.23)	(-)	(0.34)

* ₹ 16,985/-

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

(₹ Crores)

	Transaction	Key Management Personnel	Relatives of Key Management Personnel	Firms in which Relatives of Key Management Personnel are interested
a)	Trade Receivables	-	-	0.04
	Balance as at 31 Mar	(-)	(-)	(-)
b)	Trade payables	-	-	16.83
	Balance as at 31 Mar	(-)	(-)	(6.17)
c)	Sales of Goods	-	-	0.31
		(-)	(-)	(11.42)
d)	Expenditure			
	Purchase of semi finished goods	-	-	8.97
		(-)	(-)	(8.28)
	Purchase of packing material	-	-	65.55
		(-)	(-)	(69.37)
	Consulancy charges	-	-	1.66
		(-)	(-)	(3.41)
	Remuneration	18.70	-	-
		(21.41)	(0.14)	(-)
e)	Dividend paid	3.71	-	-
		(2.45)	(-)	(-)
f)	Rent received	-	-	0.19
		(-)	(-)	(0.19)

Note: Previous period figures are given in brackets

III. Out of the above items, transaction in excess of 10% of the total Related Party transactions are as under:

(₹ Crores)

Transaction	31-Mar-15	30-Sep-13
a) Short-term loans & advances		
Granted during the period		
Subsidiary companies-		
Alok International Inc.	243.92	131.06
Alok International (Middle East) FTZ	57.15	-
Alok Infrastructure Limited	-	306.28
	301.07	437.34

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

(₹ Crores)

Transaction	31-Mar-15	30-Sep-13
Recovered / Adjusted during the period		
Subsidiary companies-		
Alok Infrastructure Limited	62.62	228.86
Alok Industries International Limited	27.27	-
Alok International Inc	85.68	70.68
	175.57	299.54
Advances written off during the period		
Subsidiary company-		
Alok Infrastructure Limited	-	109.26
b) Non current investment		
Invested during the period		
Entities Under Common Control-		
Triumphant Victory Holdings Limited	219.00	-
c) Sale of goods		
Subsidiary companies-		
Alok International Inc.	54.32	103.46
Alok International (Middle East) FZE	516.13	-
Alok Singapore Pte. Ltd.	740.13	797.11
	1,310.58	900.57
Firms in which relatives of key management personnel interested-		
C. J. Corporation	0.31	-
d) Expenditure		
i) Purchase of semi finished goods:		
Entities Under Common Control-		
Alok Denims (India) Private Limited	253.37	66.27
Joint Venture Companies-		
New City of Bombay Mfg. Mills Limited	-	85.83
Aurangabad Textiles & Apparel Parks	12.51	-
ii) Purchase of packing material		
Firms in which relatives of key management personnel interested-		
C. J. Corporation	65.55	69.37
iii) Job work charges		
Firms in which relatives of key management personnel interested-		
Linear Design	-	8.28

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

(₹ Crores)

Transaction	31-Mar-15	30-Sep-13
iv) Purchase of fixed assets (Including under construction):		
Subsidiary-		
Alok Infrastructure Limited	30.29	424.15
v) Rent		
Entities Under Common Control		
Alok Knit Exports Limited	2.97	-
Subsidiary company-		
Alok Infrastructure Limited	12.88	-
Keshan Developers Private Limited	-	3.22
vi) Consultancy charges		
Firms in which relatives of key management personnel interested-		
Avan Packaging & Boards	1.66	3.41
vii) Sales Promotion Expenses		
Subsidiary -		
Alok Infrastructure Limited	0.35	-
viii) Marketing Service Charges		
Subsidiary -		
Alok International Inc.	60.96	43.89
Alok International (Middle East) FZE	80.72	-
Alok Singapore PTE Limited	78.30	66.24
	219.98	110.13
ix) Remuneration:		
Key Management Personnel-		
Ashok B. Jiwrajka	4.58	4.58
Surendra B. Jiwrajka	4.58	4.58
Dilip B. Jiwrajka	4.58	4.58
Chandrakumar Bubna	-	4.58
	13.74	18.32

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

(₹ Crores)

Transaction	31-Mar-15	30-Sep-13
e) Dividend paid		
Key Management Personnel-		
Surendra B. Jiwrajka	1.08	1.16
Ashok B. Jiwrajka	1.01	-
Dilip B. Jiwrajka	1.03	-
	3.12	1.16
Entities under common control		
Niraj Realtors & Shares Private Limited	-	2.43
Alok Knit Exports Limited	11.87	-
Jiwrajka Associates Private Limited	-	1.08
	11.87	3.51
f) Dividend income:		
Joint Venture Companies:		
New City of Bombay Mfg. Mills Limited	1.35	2.92
Aurangabad Textiles & Apparel Parks Limited	0.12	0.45
	1.47	3.37
g) Rent received:		
Subsidiary company-		
Alok Infrastructure Limited	0.59	0.21
Firms in which relatives of key management personnel interested-		
Linear Design	0.15	0.14
h) Guarantee given		
Subsidiary companies-		
Alok Worldwide Limited	782.39	-
Alok Singapore Pte Ltd	460.37	671.58
Alok International (Middle East) FZE	150.22	1,035.82
	1,392.98	1,707.40
i) Guarantee expired/adjusted		
Subsidiary-		
Alok Industries International Limited	572.59	-
Alok Infrastructure Limited	-	200.00
Alok Singapore Pte Ltd	671.58	-
Alok International (Middle East) FZE	1,035.82	-
	2,279.99	200.00
j) Guarantee outstanding as at Balance sheet date		
Subsidiary-		
Alok Industries International Limited	243.51	816.10
Alok Singapore Pte Ltd	460.37	671.58
Alok International (Middle East) FZE	150.22	1,035.82
Alok Worldwide Limited	782.39	-
Grabal Alok (UK) Limited	110.95	101.10
Mileta a.s.	-	17.88

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

B) Details in accordance with clause 32 of the listing agreement with the stock exchanges are as under :

i) Loans and advances to subsidiary/associate companies

(₹ Crores)

Name of the Company	Balance as at 31-Mar-15	Maximum balance during 18 months ended 31-Mar-15	Balance as at 30-Sep-13	Maximum balance during 18 months ended 30-Sep-13
Alok Infrastructure Limited	1,428.54	1,938.91	1535.24	1994.73
Alok Industries International Limited	4.75	25.02	25.02	26.26
Alok International Inc.	222.26	229.82	64.02	149.11
Alok Singapore Pte Ltd	0.31	0.31	-	12.13
Alok International (Middle East) FZE	57.15	227.78	-	1.30
Alok Worldwide Limited	0.28	0.48	-	-
Alok Global Singapore Pte Ltd	0.08	0.08	-	-
Alok Trading Singapore Pte Ltd	0.08	0.08	-	-
Alok Merchant Singapore Pte Ltd	0.08	0.08	-	-
Alok Universal Singapore Pte Ltd	0.08	0.08	-	-
Alok Global Trading (ME) FZE	0.31	0.31	-	-
Grabal Alok (UK) Limited	-	-	0.05	0.13
Grabal Alok International Limited	0.11	0.11	0.05	0.05
Triumphant Victory Holdings Limited	-	-	0.01	0.01

C) Joint Venture

The Company has interests in the following jointly controlled entities, which are incorporated in India.

(₹ Crores)

Name of the Companies	% of share holding	Amount of interest				
		Assets	Liabilities	Income	Expense	Contingent Liability
New City of Bombay Mfg. Mills Limited	49.00%	53.25 (42.93)	19.09 (8.53)	115.35 (72.51)	110.74 (68.68)	0.12 (-)
Aurangabad Textile and Apparel Park Limited	49.00%	14.85 (8.04)	6.87 (0.45)	49.22 (29.55)	48.31 (29.86)	- @ -

@ Contingent liability with respect to unpaid property tax on land under litigation / encroachment - amount unascertainable.

Previous period figures are given in brackets.

29 Employee Stock Option Scheme(ESOS)

Pursuant to the ESOS scheme 2010, the Company granted 23,044,650 options on 28 September 2013 at an exercise price of ₹ 10. The options vest over a period of 1 year from grant date. Details of movement in options granted is as follows :

Opening balance	No of Options granted	Options exercised	Options surrendered / lapsed	Closing balance
23,022,850	-	202,300	3,690,950	19,129,600
(-)	(23,044,650)	(-)	(21,800)	(23,022,850)

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

The Company has followed the intrinsic value-based method of accounting for stock options granted, based on Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. Had the compensation cost for the Company's stock based compensation plan been determined in the manner consistent with the fair value approach as described in the Guidance note, Company's net income would be lower by ₹ 3.48 Crores and EPS would be lower by ₹ 0.02, as reported. The Company has adopted Black Scholes option pricing model to determine fair value of stock options. The weighted average fair value of options exercised, on date of exercise is 1.82

30 Earnings per share (EPS)

		31-Mar-15	30-Sep-13
a.	Face value of equity shares per share (in ₹)	10	10
b.	Basic and Diluted EPS		
	Net profit available for equity shareholders (in ₹ Crores)	348.76	920.16
	Weighted average number of equity shares - Basic (Nos.)	137,71,66,632	97,56,59,092
	Basic EPS (in ₹)	2.53	9.43
	Add: Effect of dilutive stock options (Nos.)	4,89,587	-*
	Weighted average number of equity shares - Diluted (Nos.)	137,76,56,219	97,56,59,092
	Diluted EPS (in ₹)	2.53	9.43

*Potential equity shares on account of stock options are ignored in the calculation of the diluted earnings per share since it is antidilutive.

31 Employee benefit plans:

i) Defined contribution plans:

Amounts recognized as expenses towards contributions to provident fund, superannuation and other similar funds by the Company are ₹ 6.97 Crores (Previous period ₹ 9.60 Crores) for the period ended 31 March 2015.

ii) Defined benefit plans:

- a) **Gratuity Plan:** The Company makes annual contribution to the Employee's Group Gratuity Assurance Scheme, administered by the Life Insurance Corporation of India ('LIC'), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.
- b) **Compensated absences:** Employees' entitlement to compensated absences in future periods based on unavailed leave as at balance sheet date, as per the policy of the Company, is expected to be a long term benefit and is actuarially valued.

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

The following table sets out the status of the gratuity plan for the period ended 31 March 2015 as required under AS 15 (Revised)

(₹ Crores)		
Particulars	Gratuity (funded) as on 31-Mar-15	Gratuity (funded) as on 30-Sep-13
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	24.94	19.78
Current Service Cost	7.97	6.93
Interest Cost	3.99	3.09
Actuarial (Gain)	(0.51)	(2.77)
Past Service cost – Vested Benefit	-	-
Benefits Paid	(4.38)	(2.09)
Closing Defined Benefit Obligation	32.01	24.94
Change in Fair Value of assets		
Opening in fair value of assets	12.51	7.08
Expected Return on Plan Assets	1.78	1.00
Actuarial (gain)/loss	0.69	(0.06)
Contribution by Employer	4.96	6.58
Benefits Paid	(4.38)	(2.09)
Closing fair value of plan assets	15.56	12.51
Net Liability	16.45	12.43

Expense to be recognized in statement of Profit and Loss

(₹ Crores)		
Particulars	Period ended 31-Mar-15	Period ended 30-Sep-13
Current Service Cost	7.97	6.93
Interest on Defined Benefit Obligation	3.99	3.09
Expected Return on Plan Assets	(1.78)	(1.00)
Net Actuarial Gain	(1.20)	(2.71)
Total included in employment expenses	8.98	6.31
Actual return on plan assets	2.47	0.94
Category of Assets as on 31 March		
Insurer Managed Fund	15.56	12.51

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

The assumptions used in accounting for the gratuity are set out below:

(₹ Crores)

Particulars	31-Mar-15	30-Sep-13
Discount rate	7.90%	9.10%
Rate of increase in compensation levels of covered employees	9.00%	9.00%
Expected Rate of return on plan assets *	8.50%	8.50%

* Expected rate of return on plan assets is based on expectation of the average long term rate of return expected to prevail over the estimated term of the obligation on the type of the investments assumed to be held mainly by LIC, since the fund is managed by Insurer. The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotions and other relevant factors.

Experience Adjustments

(₹ Crores)

Particulars	Period / Year Ended				
	31-Mar-15	30-Sep-13	31-Mar-12	31-Mar-11	31-Mar-10
Defined benefit obligation	32.01	24.94	19.78	15.08	10.52
Plan Assets	15.56	12.51	7.08	4.49	2.76
Surplus / (Deficit)	(16.45)	(12.43)	(12.70)	(10.59)	(7.76)
Experience Adjustments on plan Liabilities	(4.93)	(1.52)	1.09	(0.67)	0.16
Experience Adjustments on plan Assets	0.69	(0.06)	0.26	0.08	0.07

Asset Allocations

Since the investments are held in the form of deposit with the fund managers, these are not volatile and the market value of assets is the cost value of assets and has been accordingly considered for the above disclosure.

- 32** The Company has presented data relating to its segments based on its consolidated financial statements, which are presented in the same annual report. Accordingly, in terms of the provision of Accounting Standard (AS) 17 "Segment Reporting", no disclosures related to segments are presented in these stand-alone financial statements.

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

- 33 i. Nominal amounts of derivative contracts entered into by the company for hedging currency risk and outstanding as on 31 March 2015 amount to ₹ 240.98 Crores (Previous period ₹ 1,202.95 Crores). Category wise break-up is given below.

(₹ Crores)

Sr. No.	Particulars	31-Mar-15	30-Sep-13
1	Interest Rate Swaps (JPY/INR)	-	40
2	Foreign Currency Options *	209.68	718.80
3	Foreign Exchange forward contracts		
	- for receivable	31.30	351.55
	- for payable	-	92.60
	Total	240.98	1202.95

* Represents monthly currency option for receivables, maturing over a period of 1 years

- ii. The period end foreign currency exposure that has not been hedged by derivative instruments or otherwise are as below :

a) Amount receivable in foreign currency on account of the following

(₹ Crores)

Particulars	Foreign Currency	31-Mar-15		30-Sep-13	
		Amount in foreign currency	Rupees	Amount in foreign currency	Rupees
Trade Receivables	USD	1.56	97.76	1.79	112.52
	EUR	0.18	11.87	0.40	34.27
	GBP	0.00	0.14	0.05	5.39
	AED	-	-	0.60	10.26
Cash & Bank balances	LKR	-	-	0.12	0.06
	BDT	-	-	0.07	0.06
Loans and Advance	USD	4.58	286.54	1.42	89.05
	GBP	0.00	0.13		
	EUR	0.05	3.09		
	CHF	0.03	1.97		
	JPY	0.18	0.09		
	BDT	0.02	0.02		
	HKD	0.00	0.03		

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

b) Amount payable in foreign currency on account of the following

(₹ Crores)

Particulars	Foreign Currency	31-Mar-15		30-Sep-13	
		Amount in foreign currency	Rupees	Amount in foreign currency	Rupees
Secured Loans	USD	25.78	1613.51	39.54	2,482.14
	EUR	3.20	215.80	3.64	308.50
Interest accrued but not due on loans	USD	0.27	16.65	0.19	11.90
	EUR	0.01	0.38	0.01	0.68
Interest accrued and due	USD	0.07	4.56	-	-
	EUR	0.02	1.63	-	-
Unsecured Loan	USD	-	-	1.14	96.59
	EUR	0.89	59.90	-	-
Trade Payables	USD	1.06	66.33	3.31	207.84
	JPY	1.28	0.66	0.08	0.05
	EUR	0.17	11.23	0.12	10.01
	CHF	0.00	0.17	0.01	0.36
	GBP	0.00	0.43	-	-
	AED	0.26	4.38	-	-
	DKK	0.00	0.02	-	-
Advance from Customers	USD	59.10	3699.33	21.00	1,318.87
	EUR	0.14	9.42	-	-
	JPY	0.14	0.07	-	-

34 Additional information

a) Sales for the period in broad heads

(₹ Crores)

	31-Mar-15	30-Sep-13
Sale of Product		
Cotton & Cotton yarn	329.74	260.02
Fabric	16,848.01	11,883.59
Home textile	2,264.30	2,594.10
Garment	178.11	275.08
Polyester	2,626.36	5,270.17
Others	12.00	27.52
TOTAL	22,258.52	20,310.48

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

b) Raw Material Consumption for the period in broad heads

(₹ Crores)

	31-Mar-15	30-Sep-13
Cotton & Cotton yarn	1,518.70	2,228.33
Fabric (Refer note below)	13,685.79	7,324.62
Polyester	1,845.88	3,939.19
Others	330.85	416.73
TOTAL	17,381.22	13,908.87

Note: Includes consumption of fabric for processing / under outsourcing arrangements.

c) Inventory of Work-in-progress as at 31 March 2015 in broad heads

(₹ Crores)

	31-Mar-15	30-Sep-13
Cotton & Cotton Yarn	20.20	43.83
Fabric	7,738.36	4,436.04
Home textile	91.44	299.46
Garment	10.35	15.43
Polyester	26.35	53.49
Others	0.19	1.21
TOTAL	7,886.89	4,849.46

35 (i) CIF Value of imports

(₹ Crores)

	31-Mar-15	30-Sep-13
- Capital Goods purchased	31.01	268.19
- Stores & Spares purchased	14.03	38.97
- Raw Material purchased	468.51	1,328.67
- Packing Materials purchased	4.78	10.92
TOTAL	518.33	1,646.75

(ii) Expenditure in foreign currency

(₹ Crores)

Nature of Expenses	31-Mar-15	30-Sep-13
Commission on sales	10.26	23.15
Interest on Term loan	186.67	86.01
Legal and professional fees	1.85	4.32
Marketing service charges	219.98	113.34
Sales promotion expenses	3.54	2.74
Bank charges	5.77	8.77
Miscellaneous expenses	11.75	11.60
TOTAL	439.82	249.93

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

- (iii) Value of raw materials, stores and spares consumed during the period.

(₹ Crores)

	31-Mar-15				30-Sep-13			
	Imported		Indigenous		Imported		Indigenous	
	Value	% of Total Consumption	Value	% of Total Consumption	Value	% of Total Consumption	Value	% of Total Consumption
Raw Materials	468.89	2.70%	16,912.33	97.30%	1,381.00	9.93%	12,527.87	90.07%
Stores and Spares	14.66	18.63%	64.04	81.37%	47.19	59.25%	32.46	40.75%
Packing Materials	2.56	1.78%	140.93	98.22%	10.92	4.57%	227.75	95.43%

- (iv) Earnings in foreign currency

(₹ Crores)

	31-Mar-15	30-Sep-13
- FOB Value of Exports	3,513.82	4,667.74

- (v) Dividend remitted in foreign exchange

(₹ Crores)

Year of Dividend	31-Mar-15	30-Sep-13
Equity share		
No. of shareholders	02	13
No. of shares held by them	2787,500	864,800
Dividend remitted during the period (₹)	8,36,250	2,59,440
Year to which dividend relates	F.Y. 2012-13	F.Y. 2011-12

- 36** Exceptional items during the previous period included unrealized exchange fluctuation on foreign currency assets/ liabilities and foreign exchange derivative contracts of ₹ 317.39 crores , considering the unusual volatility of Indian Rupee against US dollar, and ₹ 146.35 crores on write off of investments/ advances in respect of subsidiaries in retail business.
- 37** The Company has extended the accounting year end from 30 September 2014 to 31 March 2015 to align with the requirements of having 31 March as the year end as required under the Companies Act, 2013. Accordingly, the current accounting period is for 18 months from 1 Oct 2013 to 31 Mar 2015. The previous accounting period of the Company was also for 18 months from 1 April 2012 to 30 September 2013. The figures of the two periods are therefore not strictly comparable.
- 38** Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.

For and on behalf of the Board

Ashok B. Jiwrajka
Dilip B. Jiwrajka
Surendra B. Jiwrajka
Sunil O. Khandelwal
 Partner

Executive Director
 Managing Director
 Joint Managing Director
 Executive Director &
 Chief Financial Officer

K. H. Gopal

Executive Director & Secretary

Place : Mumbai

Place : Mumbai

Date: 28 May 2015

Date: 28 May 2015

Notes to Financial Statements

for the period from 1 October 2013 to 31 March 2015

Statement of information relating to subsidiaries including subsidiaries of subsidiaries (in terms of Government of India, Ministry of Corporate Affairs General Circular No : 2/2011, No : 5/12/2007-CL-III dated 8th February, 2011) in compliance with section 212 of the Companies Act, 1956 for the period ended 31 March 2015

FINANCIAL INFORMATION RELATING TO SUBSIDIARY COMPANIES FOR THE PERIOD ENDED 31 MARCH 2015

Sr. No.	Name of the subsidiary	Currency	Capital *	Reserve	Total Assets	Total Liabilities	Investment (Other than investment in Subsidiaries)	Turnover	Profit before Tax	Provision for tax	Profit after tax	Proposed Dividend
(₹ Crores)												
1	Alok International Inc.	USD	0.01	27.91	412.87	384.95	-	316.11	17.52	-	17.52	-
2	Alok Singapore Pte Ltd. (* ₹ 62.59/-)	USD	0.00	4.69	611.72	607.03	-	77.07	1.96	0.10	1.86	-
3	Alok International (Middle East) FZE	AED	1.66	2.31	188.73	184.76	-	83.85	1.80	-	1.80	-
4	Alok Infrastructure Limited	INR	0.05	(176.64)	1,478.75	1,741.41	86.07	35.93	(65.17)	-	(65.17)	-
5	Grabal Alok International Limited	USD	0.31	(523.03)	3.68	711.89	-	-	(443.07)	-	(443.07)	-
6	Grabal Alok (UK) Limited	GBP	385.39	(514.23)	433.48	562.37	0.05	1,390.75	(104.30)	-	(104.30)	-
7	Alok Industries International Limited	USD	0.31	(356.71)	268.93	1,741.17	4.69	-	(942.42)	-	(942.42)	-
8	Mileta, a.s.	CZK	57.06	29.21	183.69	97.42	-	308.00	23.87	4.91	18.96	-
9	Alok Worldwide Limited (* ₹ 6,259/-)	USD	0.00	0.96	340.78	796.73	456.91	18.94	0.94	-	0.94	-
10	Alok Global Singapore Pte. Ltd. (Incorporated on 7 March 2014)	USD	-	(0.09)	0.03	0.12	-	-	(0.09)	-	(0.09)	-
11	Alok Trading Singapore Pte. Ltd. (Incorporated on 7 March 2014)	USD	-	(0.09)	0.03	0.12	-	-	(0.09)	-	(0.09)	-
12	Alok Merchant Singapore Pte. Ltd. (Incorporated on 7 March 2014)	USD	-	(0.09)	0.03	0.12	-	-	(0.09)	-	(0.09)	-
13	Alok Universal Singapore Pte. Ltd. (Incorporated on 7 March 2014)	USD	-	(0.09)	0.03	0.12	-	-	(0.09)	-	(0.09)	-
14	Alok Global Trading (Middle East) FZE (Incorporated on 7 July 2014) (* ₹ 16,550/-)	AED	0.00	(0.17)	0.13	0.30	-	-	(0.17)	-	(0.17)	-

For converting the figure given in foreign currency appearing in the accounts of subsidiary companies into equivalent INR, following exchange rate is used for 1 INR

Sr. No.	Currency	Balance Sheet (Closing Rate)	Statement of Profit and Loss (Average Rate)
(₹ Crores)			
1	USD	62.591	61.405
2	GBP	92.459	99.493
3	AED	16.550	16.402
4	CZK	2.467	2.908

Consolidated Financial Highlights

(₹ Crores)

Particulars	31-Mar-2015 (18 Months)	30-Sep-2013 (18 Months)	31-Mar-2012 (12 Months)	31-Mar-2011 (12 Months)	31-Mar-2010 (12 Months)
Operating profits					
Net Sales	24,153.06	21,388.36	9,784.72	6,614.90	4,424.34
Operating Profit	5,636.55	5,645.17	2,471.92	1,707.23	1,231.78
Depreciation	1,521.78	1,418.20	749.14	530.97	366.92
PBIT	4,114.77	4,226.97	1,722.78	1,176.26	864.86
Interest	3,512.72	2,813.62	1,234.70	675.03	578.90
PBT (operating)	602.05	1,413.35	488.08	501.24	285.96
PAT	258.26	296.72	92.99	311.54	137.71
Cash Profit	2,105.53	2,191.29	971.76	991.72	621.62
Dividend	-	49.25	28.81	22.97	22.97
Net Cash Accruals	2,105.53	2,142.04	942.95	968.75	598.65
Financial Position					
Gross Fixed Assets	14,285.84	14,225.40	12,420.50	11,658.85	9,324.23
Net Fixed Assets	8,734.09	10,132.01	9,776.58	8,413.83	8,167.03
Current Assets	19,854.70	15,296.66	9,172.06	6,207.90	5,015.46
Foreign Currency Translation A/c		-	-	-	0.17
Goodwill on consolidation	51.96	182.96	606.27	156.42	-
Investments	1,300.03	1,345.81	1,589.42	1,689.98	416.86
Total Assets	29,940.78	26,957.44	21,144.33	16,468.13	13,599.52
Equity Share Capital	1,377.33	1,377.13	826.28	787.79	787.79
Reserves & Surplus	2,265.04	2,108.03	2,033.10	2,004.27	1,717.14
Tangible Net worth	3,642.37	3,485.16	2,859.38	2,792.06	2,504.93
Share Application Money	-	-	-	-	227.57
Quasi Net worth - 1	3,642.37	3,485.16	2,859.38	2,792.06	2,732.50
Deferred tax liability (net) - 2	859.60	653.09	618.05	500.30	402.96
Total Long Term Borrowings					
Secured Loans	9,254.67	11,669.56	10,011.46	8,088.29	6,763.85
Unsecured Loans - FCCB	-	-	-	-	107.21
Unsecured Loans	1,936.09	2,278.56	699.00	338.70	724.21
	11,190.76	13,948.12	10,710.46	8,426.99	7,595.27
Total Short Term Borrowings					
Secured Loans	276.24	160.00	815.00	946.63	1,186.19
Unsecured Loans	677.98	1,269.39	1,496.28	864.95	43.00
Working Capital Borrowings	5,863.54	4,554.51	3,028.73	1,884.39	848.11
	6,817.76	5,983.90	5,340.01	3,695.97	2,077.30
Total Borrowings - 3	18,008.51	19,932.02	16,050.47	12,122.96	9,672.57
Total Current Liabilities					
Current Liabilities and Provisions - 4	7,430.29	2,887.17	1,616.43	1,048.19	787.87
Minority Interest - 5	-	-	-	4.62	3.62
Total Liabilities - 1 to 5	29,940.78	26,957.44	21,144.33	16,468.13	13,599.52
Consolidated Key Ratios					
Profitability Ratios					
EBITDA (%)	23.34%	26.39%	25.26%	25.81%	27.84%
Profit Before Tax Margin (%)	2.49%	6.61%	4.99%	7.58%	6.46%
Profit After Tax Margin (%)	1.07%	1.39%	0.95%	4.71%	3.11%
Return on Net worth (%)	4.73%	5.68%	3.25%	11.16%	5.04%
Return on Capital Employed (%)	12.59%	12.61%	9.84%	8.58%	8.03%
Balance Sheet Ratios					
Net Total Debt - Equity	4.75	5.39	5.12	3.91	3.02
Net Total Debt / EBITDA	4.61	4.99	5.93	6.40	6.71
Current Ratio	1.23	1.19	1.00	1.03	1.75
Coverage Ratios					
PBDIT/Interest	1.60	2.01	2.00	2.53	2.13
Debtors Turnover - Days	174	130	82	100	93
Inventory Turnover - Days	194	155	138	119	129

Auditors' Report on the Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF ALOK INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of ALOK INDUSTRIES LIMITED (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the period 1st October 2013 to 31st March 2015, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 presentation of the consolidated 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 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 consolidated financial statements.

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

Basis for Qualified Opinion

The consolidated financial statements include the unaudited financial statements of six subsidiaries, whose financial statements reflect total assets (net) of ₹ 384.66 crores as at 31st March, 2015, total revenue of ₹ 255.42 crores and net cash outflows amounting to ₹ 249.03 crores for the period ended on that date, as considered in the consolidated financial information. The consolidated financial statements also include the Group's share of net profit of ₹ 3.98 crores for the period ended 31st March, 2015, as considered in the consolidated financial statements, in respect of an associate (Previous year ended 30th September, 2013: profit of ₹ 2.08 crores of two associates), based on their unaudited financial statements. Our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and associates, is based solely on such unaudited financial information.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, jointly controlled entities and associates referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2015;

Auditors' Report on the Consolidated Financial Statements

- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the period 1st October 2013 to 31st March 2015; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the period ended on that date.

Other Matters

We did not audit the financial statements of three subsidiaries and two jointly controlled entities, whose financial statements reflect total assets (net) of ₹ 2,008.22 crores as at 31st March, 2015, total revenues of ₹ 1,861.46 crores and net cash outflows amounting to ₹ 1,316.76 crores for the period ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 0.03 crores for the period ended 31st March, 2015, as considered in the consolidated financial statements, in respect of an associate, whose financial

statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associate, is based solely on the reports of the other auditors. Our opinion is not qualified in respect of above matters.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

P. B. Pardiwalla
Partner
(Membership No. 40005)
Mumbai, 28 May, 2015

Consolidated Balance Sheet

as at 31 March 2015

(₹ Crores)

Particulars	Notes	As at 31-Mar-15	As at 30-Sep-13
I Equity And Liabilities			
(1) Shareholders' funds			
Share capital	2	1,377.33	1,377.13
Reserves and surplus	3	2,265.04	2,108.03
(2) Non-current liabilities			
Long-term borrowings	4	8,490.60	10,075.99
Deferred tax liabilities (net)	5(b)	868.55	664.48
Other Long-term liabilities	6	2,764.35	177.47
Long-term provisions	7	21.29	17.20
(3) Current liabilities			
Short-term borrowings	8	6,817.76	5,983.90
Trade payables	9	3,649.33	2,110.64
Other current liabilities	10	3,446.58	4,170.43
Short-term provisions	7	248.90	283.56
TOTAL		29,949.73	26,968.83
II Assets			
(1) Non-current assets			
Fixed assets			
Tangible assets	11	8,620.18	9,554.16
Intangible assets	11	14.41	27.81
Capital work-in-progress		99.50	550.04
Goodwill on Consolidation		51.96	182.96
Non-current Investments	12	1,300.03	1,345.81
Deferred tax assets (net)	5(c)	8.95	11.39
Long-term Loans & Advances	13	444.87	560.76
(2) Current assets			
Current Investments	14	2.81	3.20
Inventories	15	8,543.00	6,038.45
Trade receivables	16	7,677.48	5,085.67
Cash & Bank Balances	17	693.54	1,141.41
Short-term Loans & Advances	18	2,340.65	2,270.06
Other current assets	19	152.35	197.11
TOTAL		29,949.73	26,968.83
III Notes forming part of the financial statements	1 to 41		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

P. B. Pardiwalla
Partner

Place : Mumbai
Date: 28 May 2015

For and on behalf of the Board

Ashok B. Jiwrajka Executive Director
Dilip B. Jiwrajka Managing Director
Surendra B. Jiwrajka Joint Managing Director
Sunil O. Khandelwal Executive Director &
 Chief Financial Officer
K. H. Gopal Executive Director & Secretary

Place : Mumbai
Date: 28 May 2015

Consolidated Statement of Profit and Loss

for the period from 1 October 2013 to 31 March 2015

(₹ Crores)			
Particulars	Notes	18 Months Ended 31-Mar-15	18 Months Ended 30-Sep-13
I. Revenue			
Revenue from operations (gross)	20	24,382.95	21,845.09
Less : Excise duty		229.89	456.73
Revenue from operations (net)		24,153.06	21,388.36
II. Other income	21	467.20	412.00
III. Total Revenue		24,620.26	21,800.36
IV Expenses			
Cost of Materials consumed		17,537.12	13,941.32
Purchase of Traded Goods		1,033.36	770.43
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(2,673.16)	(2,492.04)
Employee benefits expense	23	762.89	733.73
Finance costs	24	3,512.72	2,813.62
Depreciation and amortisation expense	11	1,521.78	1,418.20
Other expenses	25	2,323.50	3,201.75
Total Expenses		24,018.21	20,387.01
V Profit before exceptional items and tax		602.05	1,413.35
VI Exceptional items	39	(131.00)	(634.38)
VII Profit before tax		471.05	778.97
VIII Tax expense			
- Current tax	5(a)	97.97	449.28
Less : MAT credit entitlement		(87.74)	-
Net current tax		10.23	449.28
- Deferred tax	5(b) & 5(c)	206.51	35.04
Net tax expense		216.74	484.32
IX Profit for the period before share of profit from associates		254.31	294.65
X Share of profit from Associates (net)		3.95	2.07
XI Net Profit for the period		258.26	296.72
XII Earnings Per Share (in ₹)	33		
Basic		1.88	3.04
Diluted		1.88	3.04
XIII Notes forming part of the financial statements	1 to 41		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

P. B. Pardiwalla
Partner

Place : Mumbai
Date: 28 May 2015

For and on behalf of the Board

Ashok B. Jiwrajka Executive Director
Dilip B. Jiwrajka Managing Director
Surendra B. Jiwrajka Joint Managing Director
Sunil O. Khandelwal Executive Director & Chief Financial Officer
K. H. Gopal Executive Director & Secretary

Place : Mumbai
Date: 28 May 2015

Consolidated Cash Flow Statement

for the period from 1 October 2013 to 31 March 2015

Particulars	(₹ Crores)	
	18 Months Ended 31-Mar-15	18 Months Ended 30-Sep-13
A] Cash Flow from Operating Activities		
Profit before tax	471.05	778.97
Adjustments for:		
Depreciation / Amortisation	1,521.78	1,418.20
Provision for impairment of fixed assets and intangibles	-	6.99
Provision for impairment of goodwill	131.00	316.99
Provision for doubtful debts and advances	99.71	115.34
Provision for doubtful debts and advances written back	(111.73)	(2.00)
Sundry credit balances written back	(23.52)	(9.01)
Employee stock option credit	-	(2.27)
Exchange rate difference	(256.07)	316.95
Dividend Income	(0.02)	(0.20)
Share issue expenses	-	6.32
Interest Expense	3,052.67	2,619.71
Interest Income	(180.90)	(370.19)
Loss on sale of fixed assets (net)	0.15	2.98
Loss on sale of investments (net)	3.98	7.17
Operating Profit before working capital changes	4,708.10	5,205.95
Adjustments for		
(Increase) in Inventories	(2,536.94)	(2,302.18)
(Increase) in Trade Receivables	(2,569.11)	(3,061.02)
(Increase) in Loans and Advances	(198.43)	(782.22)
Increase in Current Liabilities & provisions	4,552.38	1,220.60
Cash generated from operations	3,956.00	281.13
Income Taxes Paid	(116.88)	(187.36)
Net cash generated from Operating Activities [A]	3,839.12	93.77
B] Cash flow from Investing Activities		
Purchase of Fixed Assets	(181.73)	(1,717.79)
Proceeds from sale of fixed assets	5.33	23.14
Refund of capital advance	261.44	-
Purchase of Investments	(228.14)	(133.91)
Proceeds from sale of Investments	274.28	623.13
Fixed Deposits and earmarked balances (placed) / matured	(199.22)	461.36
Dividend Received	0.02	0.20
Interest Received	187.32	44.78
Inter Corporate deposits Given	(87.03)	(64.10)
Inter Corporate deposits refunded	123.87	29.75
Net cash generated from / (used in) Investing Activities [B]	156.14	(733.44)

Consolidated Cash Flow Statement

for the period from 1 October 2013 to 31 March 2015

(₹ Crores)		
Particulars	18 Months Ended 31-Mar-15	18 Months Ended 30-Sep-13
C] Cash flow from Financing Activities		
Proceeds from issue of Equity Share Capital (including premium)	0.20	550.85
Share issue expenses	-	(6.32)
Share Application money repaid	-	(350.00)
Proceeds from Term borrowings	5,389.77	7,219.68
Repayment of Term Borrowings	(7,970.18)	(4,518.56)
Proceeds from short term borrowings (net)	849.51	249.15
Dividend Paid (Including Tax thereon)	(40.68)	(30.27)
Interest Paid	(2,859.63)	(2,284.47)
Net cash (used in) / generated from Financing Activities [C]	(4,631.01)	830.06
Net (decrease) / Increase in Cash and Cash equivalents (A+B+C)	(635.75)	190.39
Cash and Cash equivalents at the beginning of the period	779.66	589.27
Cash and Cash equivalents at the end of the period	143.91	779.66

NOTES TO CASH FLOW STATEMENT

(₹ Crores)		
Particulars	31-Mar-15	30-Sep-13
1 Cash and Cash equivalents includes :		
Cash and Bank Balances	693.54	1,141.41
Less : Earmarked balances/deposits with bank	541.58	342.07
Less : Unrealised exchange rate difference	8.05	19.68
Total Cash and Cash equivalents	143.91	779.66

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

P. B. Pardiwalla
Partner

Place : Mumbai
Date: 28 May 2015

For and on behalf of the Board

Ashok B. Jiwarjka Executive Director
Dilip B. Jiwarjka Managing Director
Surendra B. Jiwarjka Joint Managing Director
Sunil O. Khandelwal Executive Director &
Chief Financial Officer
K. H. Gopal Executive Director & Secretary

Place : Mumbai
Date: 28 May 2015

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

1(A) BACKGROUND INFORMATION

Alok Industries Limited ("The Company") is a public limited company, domiciled in India and incorporated under the provisions of the Companies Act, 1956. The equity shares of the Company are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). It is primarily engaged in the business of textile manufacturing including mending and packing activities.

1(B) SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Preparation of Financial Statements

These consolidated financial statements of Alok Industries Limited ("the Parent Company") and its Subsidiaries, Joint Ventures and Associate Companies, (together the "Group" or "the Company") have been prepared under the historical cost convention in accordance with 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 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable.

ii Principles of Consolidation

The subsidiaries are consolidated on a line-by-line basis in accordance with Accounting Standard 21 "Consolidated Financial Statements". Interest of the minority shareholders in the subsidiaries' profits or losses and net worth is displayed separately in the consolidated financial statements. Inter-company transactions and balances are eliminated on consolidation.

Investments in joint ventures are accounted for using the proportionate consolidation method in accordance with Accounting Standard 27 "Financial Reporting of Interests in Joint ventures". Unrealized profits and losses resulting from transactions between the Company and the joint venture companies are eliminated to the extent of the company's share in the joint ventures.

Investments in associates are accounted for using the equity method in accordance with Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements". Unrealized profits and losses resulting from transactions between the Company and the associates are eliminated to the extent of the company's interest in the associate.

For the purpose of consolidation, the financial statements of the subsidiaries, joint venture companies and associates are drawn up to 31st March, 2015 which is the reporting period of the Company.

The excess of the cost of investment in subsidiary companies, joint venture and associate companies over the parent's share of equity is recognized in the financial statements as goodwill. When the cost to the parent of its investment in subsidiary companies, joint venture and associate companies is less than the parent's share of equity, the difference is recognized in the financial statements as capital reserve.

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 and disclosure relating to contingent 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

- a) 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 gross of excise duty, and net of rebates and discounts. Excise duty recovered is presented as reduction from gross turnover. Export turnover includes related export benefits.
- b) Revenue from construction contracts is recognised by adopting "Percentage Completion Method". It is stated on the basis of physical measurement of work actually completed at the balance sheet date, taking into account contract price and revision thereto.

v 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 ready for 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 ready for use.

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

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.

vi Impairment of Fixed Assets

The carrying values of assets/cash generating units are reviewed for impairment at each balance sheet date in accordance with Accounting Standard (AS-28) "Impairment of Assets". An impairment loss is recognized in the statement of profit and loss in the period in which, an asset is identified as impaired, i.e. when the carrying value of the asset exceeds its recoverable value. An impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

vii 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. Current investments are carried at cost or fair value, whichever is lower.

viii Depreciation / Amortisation

- Depreciation on Fixed Assets is provided by the Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. 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 / disposal, as the case may be. Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase.
- Cost of leasehold land is amortised over the period of lease.
- Trademarks / Brands are amortised over a period of ten years from the date of capitalization
- Computer software is amortised for a period of five years from the date of capitalization.
- Goodwill on consolidation is not amortised, but is tested for impairment at each balance sheet date and impairment loss, if any, is provided for.

ix Foreign Currency Transactions and Translation

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:

- 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.
- 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.

Foreign Operations :

The translation of the financial statements of non integral foreign operations is accounted for as under:

- All Income and Expenses are translated at average rate.
- All monetary and non monetary assets and liabilities are translated at rate prevailing at the balance sheet date.
- Resulting exchange difference is accumulated in Foreign Currency Translation Reserve account until the disposal of net investment in the said non integral foreign operation.

The translation of the financial statements of integral foreign operations is accounted for as under :

- 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.

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

x Inventories

Items of Inventories are valued on the basis given below:

- a) Raw Materials, Packing Materials, Stores and Spares: at cost determined on First – In – First – Out (FIFO) basis or net realisable value, whichever is lower.
- b) Process stock and Finished Goods: At cost or net realisable values whichever is lower. Cost comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventory to their present location and condition.

xi Employee Benefits

a) Defined Contribution Plan

The Company's contributions to provident fund, being defined contribution plans, are charged to the statement of profit and loss as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

b) Defined Benefit Plan

The Company participates in a group gratuity cum life insurance scheme administered by the Life Insurance Company, a defined benefit plan. The cost of providing benefit is determined actuarially by the projected unit credit method at each balance sheet date. Actuarial gains/losses are recognised in the statement of profit and loss in the period in which they occur. The retirement benefit obligation recognised in the Balance Sheet represents the present value of defined benefit obligations as adjusted for unrecognised past service cost and as reduced by the fair value of scheme assets.

c) Short Term Employee Benefits

Short term employee benefits are recognised as an expense at undiscounted amounts in the statement of profit and loss in the period in which the related service is rendered.

xii Share based compensation

The compensation cost of stock options granted to employees is measured by the intrinsic value method, i.e. the difference between the market price of the Company's shares on the date of grant of options and the exercise price to be paid by the option holders. The compensation cost is amortised over the vesting period of the options.

xiii Leases

Operating lease receipts and payments are recognized as income or expense in the statement of profit and loss on a straight-line basis over the lease term.

xiv Government Grants

Grants, in the nature of interest subsidy under the Technology Upgradation Fund Scheme (TUFs), are accounted for when it is reasonably certain that ultimate collection will be made. The interest subsidy is reduced from interest cost.

xv Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard (AS-16) "Borrowing Costs" are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred.

xvi Income taxes

Tax expense comprises current and deferred taxes. Current tax is measured at the amount expected to be paid to revenue authorities using, applicable rates and tax laws. Minimum Alternative Tax (MAT) credit entitlement available under the provisions of the section 115JJA of the Income Tax Act, 1961 is recognized in accordance with the principles laid down in the Guidance Note on Accounting for credit available in respect of MAT under the Income Tax Act, 1961 issued by the ICAI, to the extent that the credit will be available for discharge of future normal tax liability.

Deferred tax is recognised on timing differences between the accounting and the taxable income for the period and quantified using the tax rates and laws enacted or substantively enacted as on the reporting date. Deferred tax assets are recognised only when there is a reasonable or virtual certainty, as relevant, in accordance with the principles laid down in Accounting Standard (AS-22) "Accounting for Taxes on Income", that sufficient future taxable income will be available against which they will be realized.

xvii Accounting for Derivatives

The company enters in to derivative contracts to hedge its exposure to movements in interest rates and foreign exchange rates. These are not intended for trading or speculative purposes.

- i. Derivative Instruments (other than ii and iii below) are accounted for based on the principles of prudence enunciated in Accounting Standard (AS-1) "Disclosure of Accounting Policies". The category wise net mark to market loss or gain position is determined on balance sheet date and the loss recognised in the statement of Profit and Loss, gains are ignored.
- ii. Foreign currency forward contracts entered

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

into to hedge foreign currency exposure on recognized monetary items is accounted for, in accordance with Accounting Standard (AS-11) "The effects of changes in Foreign Exchange Rates". The premium or discount on such contracts is amortized over the life of the contract. The exchange difference measured by the change in exchange rate between the inception dates of the contract / last reporting date as the case may be and the balance sheet date is recognized in the statement of profit and loss. Any gain / loss on cancellation of such forward contracts are recognised as income / expense of the period.

- iii. Forward exchange contracts entered in to after 1 April 2011 to hedge highly probable forecast transactions and firm commitments are accounted for by applying the recognition and measurement principles set out in the Accounting Standard (AS-30) "Financial Instruments: Recognition and Measurement". Accordingly, changes in the fair value of instruments designated as cash flow hedges are deferred in the Cash Flow Hedging Reserve account until the underlying transaction materializes at which stage the amount in the reserve is recycled to the statement of profit and loss in the same line as the hedged item. Gain or loss on ineffective cash flow hedges (if any) is recognized in the statement of profit and loss.

xviii 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 benefits is remote. Contingent Assets are neither recognised nor disclosed in the financial statements.

xvii Cash Flow Statement

The Cash Flow Statement is prepared using the "indirect method" set out in Accounting Standard (AS-3) "Cash Flow Statements" 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.

xx Earnings per share

The Company reports basic and diluted Earnings per share (EPS) in accordance with Accounting Standard (AS-20) "Earnings per Share". Basic EPS is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

P. B. Pardiwalla

Partner

(Membership No. 40005)

Mumbai, 28 May, 2015

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

2. SHARE CAPITAL

(₹ Crores)		
Particulars	As at 31-Mar-15	As at 30-Sep-13
Authorised		
1,500,000,000 Equity shares of ₹ 10/- each	1,500.00	1,500.00
	1,500.00	1,500.00
Issued and Subscribed	1,377.33	1,377.13
1,377,317,895 (Previous period 1,377,115,595) Equity shares of ₹10/- each fully paid up	1,377.32	1,377.12
Add : 13,921 Equity Shares forfeited of ₹ 10/- each, ₹ 5/- paid up	0.01	0.01
TOTAL	1,377.33	1,377.13

(i) Reconciliation of number of shares and amount outstanding at the beginning and end of the period

(₹ Crores)				
Particulars	As at 31-Mar-15		As at 30-Sep-13	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Equity shares of ₹10/- each				
At the beginning of the period	1,377,115,595	1,377.12	826,269,357	826.27
Add : Shares issued	202,300	0.20	550,846,238	550.85
At the end of the period	1,377,317,895	1,377.32	1,377,115,595	1,377.12

a) The above includes, 2,24,85,000 Equity shares allotted to the shareholders of Grabal Alok Impex Limited during the year ended March 2012, pursuant to the Scheme of Amalgamation for consideration other than cash.

(ii) Shareholders holding more than 5 percent shares in the Company

(₹ Crores)				
Particulars	As at 31-Mar-15		As at 30-Sep-13	
	No of shares	%	No of shares	%
Alok Knit Exports Private Limited	395,620,191	28.72	395,539,302	28.72

(iii) Rights, preferences and restrictions attached to equity shares

The Company has single class of equity shares. Each shareholders is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

(iv) Shares reserved for issue under options (Refer note no 32)

3. RESERVES AND SURPLUS

(₹ Crores)		
Particulars	As at 31-Mar-15	As at 30-Sep-13
Capital Reserve		
Balance as per last Balance Sheet	12.03	11.98
Add: Translation difference on restatement	-	0.05
	12.03	12.03
Capital Reserve (on Consolidation)		
Balance as per last Balance Sheet	14.52	14.98
Add : Translation difference on restatement	-	(0.46)
	14.52	14.52

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

(₹ Crores)

Particulars	As at 31-Mar-15	As at 30-Sep-13
Revaluation reserve		
Balance as per last Balance Sheet	37.12	3.86
Adjusted during the period	-	(3.86)
Add : on revaluation during the period	5.66	776.51
Less : Utilised for set off against loss on real estate assets and net liabilities taken over on amalgamation	-	(739.39)
	42.78	37.12
Capital Redemption Reserve		
Balance as per last Balance Sheet	9.10	9.10
	9.10	9.10
Securities premium account		
Balance as per last Balance Sheet	993.65	993.65
	993.65	993.65
General Reserve		
Balance as per last Balance Sheet	281.66	281.19
Add: Transferred from statement of Profit and Loss	0.78	0.47
	282.44	281.66
Debenture Redemption Reserve		
Balance as per last Balance Sheet	91.62	168.48
Less: Transferred from / (to) Statement of Profit and Loss	3.03	(76.86)
	94.65	91.62
Foreign Currency Translation Reserve		
Balance as per last Balance Sheet	(329.33)	(64.27)
Add: for the period	(85.07)	(265.06)
	(414.40)	(329.33)
Cash flow hedging Reserve		
Balance as per last Balance Sheet	-	(16.78)
Less: Transferred to Statement of Profit and Loss	-	16.78
	-	-
Foreign Currency Monetary Item Translation Difference Account		
Balance as per last Balance Sheet	(4.55)	(0.98)
Add : addition during the period	(25.82)	-
Less : Amortisation for the period	4.55	(3.57)
	(25.82)	(4.55)
Employee Stock Options Outstanding		
Balance brought forward from previous period	-	2.27
Less : Options lapsed	-	(2.27)
	-	-

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

(₹ Crores)

Particulars	As at 31-Mar-15	As at 30-Sep-13
Surplus in Statement of Profit and Loss		
Balance brought forward from previous period	1,002.21	629.63
Add : on amalgamation	-	49.31
Profit for the period	258.26	296.72
Less : Appropriations		
(i) Transferred to General Reserve	(0.78)	(0.47)
(ii) Transferred to/(from) Debenture Redemption Reserve	(3.03)	76.86
(iv) Proposed Dividend - Equity Shares	-	(41.32)
(v) Corporate Dividend Tax thereon	(0.57)	(7.94)
(vi) Short provision of dividend and tax thereon	-	(0.58)
	1,256.09	1,002.21
TOTAL	2,265.04	2,108.03

4. LONG-TERM BORROWINGS

(₹ Crores)

Particulars	As at 31-Mar-15		As at 30-Sep-13	
	Current	Non Current	Current	Non Current
Debentures/Bonds				
Debentures (Secured) (Refer note no. (i) and (vii) below)	92.34	496.66	70.00	730.00
Zero Coupon Debentures from related party (Unsecured) (Refer note no. 31 and ii below)	-	484.48	150.67	602.66
Compulsorily Convertible Bonds	-	-	485.86	-
Term Loans (Secured) (Refer note no. (iii), (iv) and (vii) below)				
(a) From banks				
-Rupee Loans	1,599.86	5,193.77	1,956.64	5,921.62
-Foreign currency loans	133.35	953.73	532.58	1,664.62
	1,733.21	6,147.50	2,489.22	7,586.24
(b) From Financial Institutions				
-Rupee Loans	94.38	542.73	76.37	540.15
-Foreign currency loans	143.96	-	10.63	162.26
	238.34	542.73	87.00	702.41
	1,971.55	6,690.23	2,576.22	8,288.65
Term Loans (Unsecured) (Refer note no. (v) and (viii) below)				
From Banks and Financial Institutions				
-Foreign Currency Loans	634.99	816.62	587.14	452.23
	634.99	816.62	587.14	452.23
Other loans & advances (Refer note no. vi below)				
Vehicle loan from Banks (Secured) (Secured by vehicle under hypothecation with bank)	1.28	2.61	2.24	2.45
TOTAL	2,700.16	8,490.60	3,872.13	10,075.99

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

- (i) a) Debentures outstanding at the period end are redeemable as follows

Particulars	Nos	31-Mar-15 (₹ Crores)	30-Sep-13 (₹ Crores)	Date of Redemption
12.00% Redeemable Non convertible Debentures	375	37.50	37.50	1-Feb-20
12.00% Redeemable Non convertible Debentures	375	37.50	37.50	1-Aug-19
12.00% Redeemable Non convertible Debentures	375	37.50	37.50	1-Feb-19
13.00% Redeemable Non convertible Debentures	334	33.34	33.34	18-Oct-18
12.00% Redeemable Non convertible Debentures	375	37.50	37.50	1-Aug-18
12.00% Redeemable Non convertible Debentures	375	37.50	37.50	1-Feb-18
13.00% Redeemable Non convertible Debentures	333	33.33	33.33	18-Oct-17
12.00% Redeemable Non convertible Debentures	375	37.50	37.50	1-Aug-17
13.50% Redeemable Non convertible Debentures	-	-	30.00	3-Mar-17
14.50% Redeemable Non convertible Debentures	366	36.66	36.66	2-Mar-17
12.00% Redeemable Non convertible Debentures	375	37.50	37.50	1-Feb-17
13.00% Redeemable Non convertible Debentures	333	33.33	33.33	18-Oct-16
12.00% Redeemable Non convertible Debentures	375	37.50	37.50	1-Aug-16
11.50% Redeemable Non convertible Debentures	560	56.00	56.00	29-Jun-16
12.50% Redeemable Non convertible Debentures	40	4.00	4.00	29-Jun-16
14.50% Redeemable Non convertible Debentures	367	36.67	36.67	2-Mar-16
13.50% Redeemable Non convertible Debentures	-	-	30.00	2-Mar-16
12.50% Redeemable Non convertible Debentures	190	19.00	70.00	28-Jun-15
14.50% Redeemable Non convertible Debentures	367	36.67	36.67	3-Mar-15
13.50% Redeemable Non convertible Debentures	-	-	30.00	3-Mar-15
12.50% Redeemable Non convertible Debentures	-	-	70.00	28-Jun-14
TOTAL		589.00	800.00	

- b) All the debentures are secured by pari passu charge on the immovable property situated at Mouje Irana, Taluka Kadi, District Mehsana in the state of Gujarat. Further, Debentures of ₹ 300 crores are secured by first pari passu charge created on fixed assets of the company and Debentures of ₹ 289 crores are secured by subservient charge on fixed and current assets of the Company (excluding Land and Building).
- (ii) 38,500 zero coupon debentures are redeemable or convertible on 30th September 2016 and 38,905 zero coupon debentures on 24th March 2019 as mutually agreed between issuer and holder
- (iii) Disclosure of Security for term loans

Particulars	(₹ Crores)		
	Banks	Financial Institutions	Total
Exclusive charge on Plant & Machinery and specific assets financed *	862.17 (1,417.65)	- (64.49)	862.17 (1,482.14)
Pari passu first charge created on the entire fixed assets of the Company #	6,396.13 (6,257.45)	637.11 (252.03)	7,033.24 (6,509.48)
Subservient charge on all movable and current assets of the Company @	522.41 (2,400.36)	143.96 (472.89)	666.37 (2,873.25)
Fixed deposit placed with the bank.	100.00 (-)	- (-)	100.00 (-)
TOTAL	7,880.71 (10,075.46)	781.07 (789.41)	8,661.78 (10,864.87)

* Includes loans aggregating to ₹ 123.63 crores (previous period ₹ 428.46 crores) and loans from financial institution aggregating to ₹ Nil (previous period ₹ 64.49 crores) which are further secured by personal guarantees of promoter directors / group companies

Includes bank loans aggregating to ₹ 1958.34 crores (previous period ₹ 1,184.48 crores) & Financial Institution loans aggregating to ₹ 108.13 crores (previous period ₹ 18.28 crores) which are further secured by personal guarantees of promoter directors / group Companies.

Includes Bank loans aggregating to ₹ 312.50 Crores (Previous period Nil) secured by charge created on investment property

Includes Bank loans aggregating to ₹ 300 Crores (Previous period Nil) for which charge to be created on investment property

@ Includes bank loans aggregating to ₹ 85.61 crores (previous period ₹ 80.80 crores) which are further secured by personal guarantees of promoter directors / promoter group Companies

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

(iv) Terms of Repayment of Secured Term Loan

(₹ Crores)

Particulars	Rate of Interest	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years	Total
Rupee Term Loan From Banks	11.55% - 15.75% (12% - 15.75%)	1,182.19 (1,644.17)	1,157.51 (1,365.66)	864.97 (1,159.62)	1,989.10 (1,752.17)	5,193.77 (5,921.62)
Foreign Currency Term Loan From Banks	1.27% - 7.35% (1.44% - 6.00%)	160.27 (187.90)	165.66 (228.97)	395.61 (230.04)	232.19 (1,017.71)	953.73 (1,664.62)
Rupee Term Loan From Financial Institutions	9.00% - 15.00% (9.00% - 12.50%)	186.25 (40.63)	186.48 (111.41)	77.50 (108.75)	92.50 (279.36)	542.73 (540.15)
Foreign Currency Term Loan From Financial Institutions	- (3.68% - 3.75%)	- (162.26)	- (-)	- (-)	- (-)	- (162.26)
TOTAL	-	1,528.71 (2,034.96)	1,509.65 (1,706.04)	1,338.08 (1,498.41)	2,313.79 (3,049.24)	6,690.23 (8,288.65)

(v) Terms of repayment of Unsecured Term Loan

(₹ Crores)

Particulars	Rate of Interest	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years	Total
Foreign Currency Term Loan From Banks	3.25% - 4.25% (2.88% - 3.50%)	590.88 (398.57)	121.45 (21.46)	104.29 (21.46)	- (10.74)	816.62 (452.23)

(vi) Terms of repayment of Other loans and advances

(₹ Crores)

Particulars	Rate of Interest	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years	Total
Vehicle Loan	9.50% - 11.50% (9.50% - 11.50%)	1.22 (1.97)	0.86 (0.27)	0.50 (0.21)	0.03 (-)	2.61 (2.45)

(vii) The Company has defaulted in repayment of principal and interest payments. The period and amount of continuing default as on the Balance sheet date are as under:

a) Principal Amounts:

(₹ Crores)

Particulars	0-30 days	31-90 days	91-180 days	Above 180 days	Total
a) Debentures	36.67 (-)	- (-)	- (-)	- (-)	36.67 (-)
b) Term Loans					
- Secured					
From banks:					
- Rupee loans	103.21 (-)	72.34 (-)	- (-)	- (-)	175.55 (-)
- Foreign currency loans	13.26 (-)	1.82 (-)	- (-)	- (-)	15.08 (-)
From Financial Institutions:					
- Rupee loans	- (-)	1.88 (-)	- (-)	1.88 (-)	3.76 (-)
- Foreign currency loans	- (-)	143.96 (-)	- (-)	- (-)	143.96 (-)
- Unsecured					
From banks:					
- Foreign currency loans	- (-)	4.81 (-)	3.74 (-)	- (-)	8.55 (-)
Total	153.14 (-)	224.81 (-)	3.74 (-)	1.88 (-)	383.57 (-)

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

b) Interest:					(₹ Crores)
Particulars	0-30 days	31-90 days	91-180 days	Above 180 days	Total
a) Debentures	5.50	9.28	9.60	-	24.38
	(-)	(-)	(-)	(-)	(-)
b) Term Loans					
- Secured					
From banks:					
- Rupee loans	57.22	73.81	1.50	-	132.53
	(-)	(-)	(-)	(-)	(-)
- Foreign currency loans	2.03	1.77	-	-	3.80
	(-)	(-)	(-)	(-)	(-)
From Financial Institutions:					
- Rupee loans	0.21	23.75	0.45	0.26	24.67
	(-)	(-)	(-)	(-)	(-)
- Foreign currency loans	-	1.99	-	-	1.99
	(-)	(-)	(-)	(-)	(-)
- Unsecured					
From banks:					
- Foreign currency loans	-	0.40	-	-	0.40
	(-)	(-)	(-)	(-)	(-)
Total	64.96	111.00	11.55	0.26	187.77
	(-)	(-)	(-)	(-)	(-)

Previous period figures are given in brackets

5. TAXATION

			(₹ Crores)
Particulars	As at 31-Mar-15	As at 30-Sep-13	
(a) Current Tax comprises of			
Current tax for the period	98.19	456.04	
Less : Excess provision of tax relating to earlier years	0.22	6.76	
	97.97	449.28	
(b) Deferred tax liability (net) comprises of timing difference on account of			
I) Deferred Tax Liability			
Depreciation	911.94	816.38	
Less : Deferred Tax Asset			
Share Issue expenses	(1.35)	(3.75)	
Mark to Market loss on Derivative Contract	(15.89)	(51.14)	
Provision for employee benefits	(9.80)	(8.19)	
Provision for doubtful debts and advances	(16.35)	(88.82)	
Net Deferred Tax Liability (net) comprises of timing difference on account of	868.55	664.48	
II) Deferred Tax Asset			
Provision for employee benefits	-	2.02	
Business / Depreciation loss as per I.T. Act, 1961	12.28	13.76	
Less : Deferred Tax Liability			
Depreciation	(3.33)	(4.39)	
Net Deferred Tax Asset	8.95	11.39	

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

6. OTHER LONG-TERM LIABILITIES

Particulars	(₹ Crores)	
	As at 31-Mar-15	As at 30-Sep-13
Advance from customers	2,764.35	-
Fair value of foreign currency forward and option contracts	-	177.47
TOTAL	2,764.35	177.47

- i) The Company has received a long term export advance of ₹ 2,909.85 crores from a customer with the supply schedule over a period of 10 years. Export advance has been secured by performance guarantees given by banks to the customer. Such guarantees are to be secured by first charge on the immoveable assets and second charge on the current assets of the Company on pari passu basis. The Company is taking necessary steps towards creation of such charge.

7. PROVISIONS

Particulars	As at 31-Mar-15			As at 30-Sep-13		
	Long term	Short term	Total	Long term	Short term	Total
For employee benefits	21.29	7.73	29.02	17.20	7.65	24.85
Proposed dividend	-	-	-	-	41.32	41.32
Corporate dividend tax	-	8.23	8.23	-	7.02	7.02
Provision for taxation (net of advance tax)	-	232.12	232.12	-	226.58	226.58
Others	-	0.82	0.82	-	0.99	0.99
TOTAL	21.29	248.90	270.19	17.20	283.56	300.76

8. SHORT-TERM BORROWINGS

Particulars	As at 31-Mar-15		As at 30-Sep-13	
Debenture (Secured) (Refer note no. (i) below)	26.00		-	
Working capital loans				
Cash Credit accounts, working capital demand loan etc. (Secured) (Refer note no. (ii) below)				
From Banks (including ₹ 761.24 crores (previous period ₹ 911.06 crores) in foreign currency)	5,704.17		4,365.62	
From Financial Institutions / Others (including ₹ 102.39 crores (previous period ₹ 102.91 crores) in foreign currency)	159.37	5,863.54	159.81	4,525.43
Cash Credit accounts, working capital demand loan etc. (Unsecured)				
From banks (including ₹ Nil (previous period ₹ 29.08 crores) in foreign currency)	-			29.08
Compulsorily Convertible Debentures from related party (Unsecured) (Refer note no. 31)	-			241.69
Short term loan				
Secured (Refer note no. (iii) and (iv) below)				
Rupee Loans				
From Banks	100.00		100.00	
From Financial Institutions	75.24	175.24	60.00	160.00
Unsecured				
Foreign currency loans				
From Banks	-			671.58
Deposits (Unsecured)				
-Deposit from Public	-			0.94
Inter Corporate Deposit (Secured) \$	75.00			-
Inter Corporate Deposit (Unsecured)	122.94			
From Related party (Unsecured) (Refer note no. 31)	555.04			355.18
TOTAL	6,817.76		5,983.90	

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

(₹ Crores)

Nature of security	Banks	Financial Institutions	Total
(i) Debentures			
First mortgage charge created on investment properties of the company	- (-)	26.00 (-)	26.00 (-)
(ii) Security for Working capital loans :			
(i) Hypothecation of company's current assets and mortgage of certain immovable properties belonging to the company / Guarantor. #	5,405.61 (3,950.66)	159.36 (81.43)	5,564.97 (4,032.09)
(ii) Second charge created on all fixed assets (excluding land and building) of the company #			
Subservient charge created / to be created on all moveable and current assets of the company and further secured by personal guarantees of promoter directors. *	135.59 (290.27)	0.01 (78.38)	135.60 (368.65)
Fixed and floating charge over the assets of the company and personal guarantee of directors	130.70 (101.10)	- -	130.70 (101.10)
Pledge of certain immovable assets	32.27 (23.59)	- -	32.27 (23.59)
TOTAL	5,704.17 (4,365.62)	159.37 (159.81)	5,863.54 (4,525.43)
(iii) Security for Short Term Loans			
(i) Hypothecation of company's current assets on first pari passu basis.	100.00 (-)	- (-)	100.00 (-)
(ii) First mortgage charge created on all fixed assets of the company on pari passu basis.			
Subservient charge on all movable and current assets of the Company @	- (100.00)	75.24 (60.00)	75.24 (160.00)
TOTAL	100.00 (100.00)	75.24 (60.00)	175.24 (160.00)

Includes Bank loans aggregating ₹ 1377.25 Crores (Previous period Nil) for which charge is being created on part of investment property.

* Includes Bank loans aggregating ₹ 41.79 Crores (Previous period Nil) secured by charge created / is being created on part of investment property.

@ Includes Bank loans aggregating ₹ 75.54 Crores (Previous period Nil) secured by charge created / is being created on part of investment property.

\$ Secured by first charge on two floors of Peninsula Business Park and second charge on one floor of Peninsula Business Park and three floors of Ashford Centre owned by Alok infrastructure Limited, wholly owned subsidiary of the company.

(iv) The Company has defaulted in repayment of principal and interest payments. The period and amount of continuing default as on the Balance sheet date are as under:

a) Principal amounts:	(₹ Crores)		
Particulars	0-30 days	31-90 days	Total
Secured			
- Rupee loans			
From Banks	100.00 (-)	- (-)	100.00 (-)
b) Interest:	(₹ Crores)		
Particulars	0-30 days	31-90 days	Total
Secured			
- Rupee loans			
From Banks	1.25 (-)	2.38 (-)	3.63 (-)
- Rupee loans			
From Financial Institutions	1.03 (-)	0.60 (-)	1.63 (-)
TOTAL	2.28 (-)	2.98 (-)	5.26 (-)

Previous period figures are given in brackets.

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

9. TRADE PAYABLES

Particulars	(₹ Crores)	
	As at 31-Mar-15	As at 30-Sep-13
Acceptances	2,250.96	929.81
Other than Acceptances	1,398.37	1,180.83
TOTAL	3,649.33	2,110.64

10. OTHER CURRENT LIABILITIES

Particulars	(₹ Crores)	
	As at 31-Mar-15	As at 30-Sep-13
Current maturities of long-term borrowings (Refer note no. 4)	2,700.16	3,872.13
Interest accrued but not due on borrowings	42.42	25.65
Interest accrued and due	200.65	-
Unclaimed dividends (Refer note below)	1.37	1.08
Fair value of foreign currency forward and option contracts	45.92	-
Other payables		
Advance from customers (Refer note no. 6 (i))	365.16	200.99
Deposit received	1.08	1.61
Creditors for capital goods	32.23	34.58
Towards for statutory liabilities	43.47	32.82
Advance from Related parties (Refer note no. 31)	1.77	1.57
Others	12.35	-
TOTAL	3,446.58	4,170.43

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

11. FIXED ASSETS

(₹ Crores)

Description of Assets	Gross Block			Depreciation / Amortisation			Net Block	
	As at 1-Oct-13	Additions	Deductions/ Adjustments	As at 31-Mar-15	For The Period	Deductions / Adjustments	As at 31-Mar-15	As at 30-Sep-13
TANGIBLE ASSETS :								
1 Freehold Land	128.78	1.80	1.87	128.71	-	-	128.71	128.78
2 Leasehold Land	3.45	-	0.01	3.44	0.14	-	2.80	2.95
3 Buildings	2,686.29	40.34	11.55	2,715.08	123.27	8.25	2,222.35	2,308.57
4 Office Premises	191.11	2.80	2.69	191.22	6.77	7.63	153.62	152.65
5 Plant and Equipments	9,940.80	528.23	39.09	10,429.94	1,306.03	27.17	5,832.19	6,621.91
6 Computer and Equipments	39.96	0.91	2.99	37.88	5.75	2.96	4.66	9.53
7 Office Equipments	12.99	1.13	(0.73)	14.85	1.37	(0.05)	8.26	7.82
8 Furniture and Fixtures	474.27	18.76	29.25	463.78	49.78	14.68	199.76	245.35
9 Vehicles	27.45	6.13	5.47	28.11	3.73	2.75	14.96	15.28
10 Tools and Equipments	87.42	1.64	0.05	89.01	10.05	0.01	52.87	61.32
Sub - Total A	13,592.52	601.74	92.24	14,102.02	1,506.89	63.40	8,620.18	9,554.16
Previous Period	11,414.50	2,132.94	(45.08)	13,592.52	1,402.44	(32.62)	9,554.16	
INTANGIBLE ASSETS :								
1 Computer Software	27.79	1.74	0.25	29.28	6.17	(0.06)	3.40	8.14
2 Trademarks / Brands	55.05	-	-	55.05	8.72	0.06	11.01	19.67
Sub - Total B	82.84	1.74	0.25	84.33	14.89	-	14.41	27.81
Previous Period	81.62	5.59	4.37	82.84	15.76	1.35	27.81	
Total	13,675.36	603.48	92.49	14,186.35	1,521.78	63.40	8,634.58	9,581.97
Previous Period	11,496.12	2,138.53	(40.71)	13,675.36	1,418.20	(31.27)	9,581.97	

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

NOTES :

1. Plant & Machinery includes :

- a Exchange difference (net) of ₹ 71.20 crores (previous year gain of ₹ 220.80 crores) on restatement of long term borrowings payable in foreign currency.
- b Interest capitalised ₹ 17.95 crores (previous year ₹ 71.95 crores)

2. Addition on account of Exchange difference (Net) in respect of translation of fixed assets values into INR included under deductions/adjustments is as follows :

Particulars	Gross Block	Depreciation
Freehold Land	2.63	-
Buildings	10.82	8.20
Office Premises	4.17	2.84
Plant and Equipments	27.92	20.21
Computer and Equipments	0.68	0.65
Furniture and Fixtures	34.06	19.82
Vehicles	0.40	0.39
Computer Software	1.25	1.24

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

12. NON CURRENT INVESTMENTS

(₹ Crores)

Particulars	No. of shares of face value of ₹ 10 each fully paid-up unless otherwise specified	As at 31-Mar-15	As at 30-Sep-13
a) Investment Property :			
Real estate assets		133.22	409.41
Freehold Land		813.67	806.28
		946.89	1,215.69
b) Investments in Equity Instruments (at cost)			
In Associate companies - unquoted			
Next Creations Holdings LLC, subscription towards 33% membership interest		-	4.47
Less : share in post acquisition accumulated loss		-	(2.79)
		-	1.68
Alspun Infrastructure Limited	25,000	0.10	0.10
(Including goodwill on acquisition of stake of associates ₹ 0.04 crores)			
Less : share in post acquisition accumulated loss		(0.10)	(0.08)
		-	0.02
Ashford Infotech Private Limited	50,000	2.50	2.50
Add : share in post acquisition accumulated profit		8.07	4.09
		10.57	6.59
In Others - Unquoted			
Trimphant Victory Holdings Limited (₹ 90.14/-) (Face value of USD 1 each)	2	0.00	0.00
Dombivali Nagari Sahakari Bank Limited (Face value of ₹ 50 each)	10,000	0.05	0.05
Kalyan Janata Sahakari Bank Limited (Face value of ₹ 25 each)	10,000	0.03	0.03
Saraswat Bank Limited (₹ 25,000/-)	2,500	0.00	0.00
Wel-Treat Environ Management Organisation (₹ 36,500/-)	3,650	0.00	0.00
Interest in Alok Benefit Trust (Refer note no. i below)		35.33	35.33
PowerCor LLC			
Subscription towards 5% Group B Membership interest		46.35	46.49
Less: Provision		(46.35)	(46.49)
		-	-

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

(₹ Crores)

Particulars	No. of shares of face value of ₹ 10 each fully paid-up unless otherwise specified	As at 31-Mar-15		As at 30-Sep-13	
Aisle 5 LLC					
22 senior units of the equity capital		8.20	-	8.22	-
Less: Provision		(8.20)	-	(8.22)	-
c) Investment in Preference shares (unquoted)					
In Associates Company					
0% Non-cumulative redeemable preference shares of Ashford Infotech Private Limited	500,000		65.49		65.49
0% Redeemable preference shares of Alspun Infrastructure Limited	500,000		16.22		16.22
5% Redeemable preference shares of Alspun Infrastructure Limited	1,765,000		1.76		-
In Others					
0% Cumulative redeemable preference shares of Triumphant Victory Holdings Limited (Previous period : 750,000 shares)	36,216,960		223.69		4.71
			1,300.03		1,345.81

- (i) The Trust is holding 19,459,382 Equity Shares [Previous Year 19,459,382] of ₹ 10/- of Alok Industries Limited, the sole beneficiary of which is the Company. [The Market Value of Shares held in Trust is ₹ 14.40 crores (Previous period ₹ 15.51 crores)]

13. LONG TERM LOANS & ADVANCES

(₹ Crores)

Particulars	As at 31-Mar-15	As at 30-Sep-13
Unsecured Considered good		
Capital advances	134.70	428.53
Lease & Security deposits	13.73	12.98
Other Loans and advances		
Prepaid Expenses	136.83	87.42
Advance Tax (Net of Provision for Tax)	71.87	31.83
MAT Credit entitlement	87.74	-
	444.87	560.76
Unsecured Considered doubtful		
Capital advances	-	14.90
Less : Provision for doubtful advances	-	14.90
	-	-
TOTAL	444.87	560.76

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

14. CURRENT INVESTMENTS (at cost or fair value whichever is lower)

Particulars	(₹ Crores)	
	As at 31-Mar-15	As at 30-Sep-13
Investments in debentures or bonds		
Laxmi Vilas Bank Tier II Bonds	2.00	2.00
[20 Bonds of ₹ 10,00,000 each]		
Investments in Mutual funds - Unquoted		
Axis Infrastructure Fund 1 scheme	0.81	0.73
[8,113 (previous period 7,314) units of ₹ 1000/- each]		
UTI Treasury Advantage Fund	-	0.47
(Nil previous period 4642.198) units of ₹ 10/- each		
TOTAL	2.81	3.20

15. INVENTORIES

Particulars	(₹ Crores)	
	As at 31-Mar-15	As at 30-Sep-13
(At lower of cost and net realisable value)		
Raw Materials	148.25	305.87
(Includes material in transit ₹ 10.4 crores (previous period ₹ 58.26 crores))		
Work-in-progress	7,942.98	4,890.13
Finished Goods	247.19	556.01
Stock in Trade (Traded Goods)	145.81	216.68
Stores & Spares	50.04	64.83
Packing Material	8.73	4.93
TOTAL	8,543.00	6,038.45

16. TRADE RECEIVABLES

Particulars	(₹ Crores)	
	As at 31-Mar-15	As at 30-Sep-13
Debts Outstanding for a period exceeding six months from due date	184.66	84.43
Less : Provision for doubtful debts	38.75	33.99
	145.91	50.44
Other Debts	7,538.74	5,110.06
Less : Provision for doubtful debts	7.17	74.83
	7,531.57	5,035.23
	7,677.48	5,085.67
Unsecured		
Considered Good	7,677.48	5,085.67
Considered Doubtful	45.92	108.82
TOTAL	7,723.40	5,194.49

- (i) Debtors include dues from parties aggregating to ₹ 0.05 Crores (Previous period ₹ 1.54 Crores) in which a director is a director/partner
- (ii) Refer note no. 31 for related party balances.

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

17. CASH AND BANK BALANCES

(₹ Crores)		
Particulars	As at 31-Mar-15	As at 30-Sep-13
A Cash and Cash equivalents		
Cash on hand	3.98	1.72
Balance with Bank		
(i) In current accounts	146.30	797.37
(ii) In EEFC accounts	-	0.03
(iii) In Deposit Accounts [Including interest accrued thereon]	1.68	0.22
Total Cash and Cash equivalents (A)	151.96	799.34
B Other bank balances		
(i) In earmarked accounts		
- Unclaimed dividend accounts	1.37	1.08
- Balances / Deposits held as margin money or security against borrowings, guarantee and other commitments	540.21	340.99
Total other bank balances (B)	541.58	342.07
TOTAL	693.54	1,141.41

Margin monies include ₹ 198.24 Crores (Previous period ₹ 22.33 Crores) which have an original maturity of more than 12 months and ₹ 9.23 Crores (Previous period ₹ 4.26 Crores) which have a maturity of more than 12 months from the Balance Sheet date.

18. SHORT-TERM LOANS AND ADVANCES

(₹ Crores)		
Particulars	As at 31-Mar-15	As at 30-Sep-13
Secured		
Inter Corporate Deposits	-	36.50
Unsecured, considered good		
Loans and advances :		
To related parties (Refer note no. 31)	0.13	11.63
To vendors	2,044.27	1,782.19
To Staff (Refer note below)	4.32	5.80
Others		
Balance with Central Excise, Customs and Sales Tax Authorities	144.54	244.54
Prepaid Expenses	146.19	162.46
Inter Corporate Deposits	1.20	1.54
Advance Tax (Net of provision for tax)	-	15.59
Deposits others	-	9.81
	2,340.65	2,233.56
Unsecured, considered doubtful		
Advance to others	14.65	24.44
Less : Provision	14.65	24.44
	-	-
TOTAL	2,340.65	2,270.06

Advance to staff includes ₹ 0.08 Crores (Previous period ₹ 0.23 Crores) due from officers of the Company [maximum amount outstanding during the period ₹ 0.23 Crores (Previous period ₹ 0.40 Crores)]

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

19. OTHER CURRENT ASSETS

Particulars	(₹ Crores)	
	As at 31-Mar-15	As at 30-Sep-13
Considered Good		
Interest Subsidy Receivable	77.99	77.18
Unutilised DEPB Licence	1.63	2.10
Export Incentive Receivable	71.36	82.87
Interest Receivable	1.31	7.73
Fair value of foreign currency forward and option contracts	-	27.00
Others	0.06	0.23
	152.35	197.11
Considered Doubtful		
Interest Subsidy Receivable	0.70	24.03
Less : Provision	0.70	24.03
	-	-
TOTAL	152.35	197.11

20. REVENUE FROM OPERATIONS

Particulars	(₹ Crores)	
	18 Months ended 31-Mar-15	18 Months ended 30-Sep-13
a) Sale of goods	24,280.58	21,780.59
b) Sale of services		
Job work charges collected	86.83	50.01
c) Other operating revenue		
Sale of Scrap	15.54	14.49
TOTAL	24,382.95	21,845.09

21. OTHER INCOME

Particulars	(₹ Crores)	
	18 Months ended 31-Mar-15	18 Months ended 30-Sep-13
Interest income		
- Bank fixed deposits	40.30	34.59
- Inter corporate deposits	4.59	4.30
- Others	136.01	331.30
	180.90	370.19
Dividend income :		
On Long term investments	0.01	0.02
On Current investments	0.01	0.18
	0.02	0.20
Provision for doubtful debts and advances written back (net)	111.73	2.00
Insurance claim received (net)	-	20.95
Exchange rate difference	125.63	-
Rent Received	21.35	3.67
Sundry Credit Balances written back	23.52	9.01
Other non operating Income	4.05	5.98
	467.20	412.00

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

22. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN-TRADE

Particulars	18 Months ended 31-Mar-15	18 Months ended 30-Sep-13
CLOSING STOCK AS ON 31 MARCH 2015		
Finished Goods	247.19	556.01
Work-in-progress	7,942.98	4,890.13
Stock in Trade (Traded Goods)	145.81	216.68
	8,335.98	5,662.82
LESS : OPENING STOCK AS ON 01 OCTOBER 2013		
Finished Goods	556.01	673.83
Work-in-progress	4,890.13	2,278.38
Stock in Trade (Traded Goods)	216.68	218.57
	5,662.82	3,170.78
TOTAL	2,673.16	2,492.04

23. EMPLOYEE BENEFIT EXPENSES

	(₹ Crores)	
Particulars	18 Months ended 31-Mar-15	18 Months ended 30-Sep-13
Salaries and Wages	703.89	684.65
Contribution to Provident Fund and Other Funds	46.25	40.26
Employees Welfare Expenses	12.75	8.82
TOTAL	762.89	733.73

24. FINANCE COSTS

	(₹ Crores)	
Particulars	18 Months ended 31-Mar-15	18 Months ended 30-Sep-13
Interest expense:	3,052.67	2,582.35
(Net of interest subsidy ₹ 133.94 crores (previous period ₹ 182.85 crores))		
Interest on late payment of taxes	13.75	6.34
Other Borrowing cost	446.30	224.93
TOTAL	3,512.72	2,813.62

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

25. OTHER EXPENSES

(₹ Crores)

Particulars	18 Months ended 31-Mar-15	18 Months ended 30-Sep-13
Stores and Spares Consumed	79.57	80.43
Packing Materials Consumed	143.49	238.87
Power and Fuel	735.24	1,148.76
Processing Charges	100.39	117.25
Labour Charges	82.73	107.87
Freight, Coolie and Cartage	191.83	244.37
Legal and Professional Fees	48.08	47.61
Share Issue Expenses	-	6.32
Rent	156.25	239.07
Rates and Taxes	115.55	114.74
Repairs and maintenance		
Plant and machinery	18.16	20.08
Factory building	1.11	3.41
Others	27.89	21.41
	47.16	44.90
Commission on Sales	45.15	72.46
Exchange rate difference	-	222.83
Provision for Doubtful Debts	86.90	86.97
Provision for Doubtful Advances	12.81	30.37
Bad debts and other advances written off (net)	-	0.18
Directors Remuneration	13.39	18.18
Directors Fees and Commission	5.67	7.56
Auditors' remuneration (excluding service tax)	4.99	4.97
Insurance	51.92	42.96
Loss on sale of long term investment (net)	3.98	7.17
Loss on sale of Assets (Net)	0.15	2.98
Provision for impairment of fixed assets and intangibles	-	6.99
Miscellaneous Expenses	398.25	307.94
TOTAL	2,323.50	3,201.75
Auditor's remuneration (excluding service tax)		
Audit and related fees	4.68	4.09
Tax related services	-	0.06
Certification fees	0.30	0.81
Reimbursement of expenses	0.01	0.01
TOTAL	4.99	4.97

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

26 THE SUBSIDIARY COMPANIES CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS ARE:

Sr. No.	Name of the subsidiary companies	Country of Incorporation	Ownership Interest 31-Mar-15	Ownership Interest 30-Sep-13
1	Alok Infrastructure Limited	India	100%	100%
2	Alok International Inc.*	USA	100%	100%
3	Mileta, a. s.	Czech Republic	100%	100%
4	Alok Industries International Limited	British Virgin Island	100%	100%
5	Grabal Alok International Limited	British Virgin Island	100%	100%
6	Grabal Alok (UK) Limited	UK	99.87%	90.43%
7	Alok Singapore Pte Ltd.	Singapore	100%	100%
8	Alok International (Middle East) FZE	Dubai	100%	100%
9	Alok Worldwide Limited	British Virgin Island	100%	100%
10	Alok Global Singapore Pte. Ltd.* (incorporated on 7 March 2014)	Singapore	100%	-
11	Alok Trading Singapore Pte. Ltd.* (incorporated on 7 March 2014)	Singapore	100%	-
12	Alok Merchant Singapore Pte. Ltd.* (incorporated on 7 March 2014)	Singapore	100%	-
13	Alok Universal Singapore Pte. Ltd.* (incorporated on 7 March 2014)	Singapore	100%	-
14	Alok Global Trading (Middle East) FZE* (incorporated on 7 July 2014)	Dubai	100%	-

* Consolidated based on unaudited financial statement / information.

27 JOINT VENTURE COMPANIES CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS ARE:

Sr. No.	Name of the Joint Venture	Country of Incorporation	Ownership Interest 31-Mar-15	Ownership Interest 30-Sep-13
1	Aurangabad Textile and Apparel Park Limited	India	49.00%	49.00%
2	New City of Bombay Mfg. Mills Limited	India	49.00%	49.00%

The following amounts are included in the Consolidated Financial Statements in respect of Jointly Controlled Entities based on “proportionate consolidation” method, as per Accounting Standard 27 on “Financial Reporting of Interest in Joint Venture”

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

(₹ Crores)

Particulars	As at 31-Mar-15	As at 30-Sep-13
ASSETS		
Fixed Assets	4.28	4.66
Inventories	0.13	0.97
Trade Receivables	61.18	32.95
Cash and Bank Balances	1.62	0.22
Loans and Advances	0.86	10.98
Investments	-	0.47
Other Current Assets	0.03	0.72
LIABILITIES		
Trade Payables & Other Current liabilities	23.42	8.21
Provisions	2.25	0.43
Deferred Tax Liability	0.29	0.34

(₹ Crores)

Particulars	31-Mar-15	30-Sep-13
INCOME		
Sales	163.59	99.58
Other Income	0.98	2.48
EXPENSES		
Manufacturing and Other Expenses	158.58	98.17
Depreciation	0.47	0.37
Provision for Tax	1.76	1.33

28 THE ASSOCIATE COMPANIES CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS ARE:

Sr. No.	Name of the Associates	Country of Incorporation	Ownership Interest 31-Mar-15	Ownership Interest 30-Sep-13
1	Ashford Infotech Private Limited *	India	50.00%	50.00%
2	Alspun Infrastructure Limited	India	50.00%	50.00%
3	Next Creations Holdings LLC (upto 7th April 2014)	USA	-	33.00%

* Consolidated based on unaudited financial statement / information.

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

29 Contingent Liabilities in respect of:

(₹ Crores)

Sr. No.	Particulars	31-Mar-15	30-Sep-13
A	Customs duty on shortfall in export obligation in accordance with EXIM Policy (The company is hopeful of meeting the export obligation within the stipulated period)	Amount Unascertained	Amount Unascertained
B	Bills discounted	33.77	365.18
C	Claims against company not acknowledged as debt		
	a) Income Taxes	6.21	0.31
	b) Maharashtra value added tax	8.09	8.07
	c) Other tax demands	1.57	1.57
	d) Others – disputes under litigation	0.07	19.40
D	Contingent liability with respect to unpaid property tax on land under litigation / encroachment	Amount Unascertained	Amount Unascertained

30 Capital Commitment

(₹ Crores)

Particulars	31-Mar-15	30-Sep-13
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances)	60.54	91.25

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

31 Related Party Disclosure

a) Names of related parties and nature of relationship

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

(I) Associate companies

Alspun Infrastructure Ltd.	Ashford Infotech Private Limited
Next Creations Holdings LLC (upto 7 April 2014)	

(ii) Entities under common control

Alok Denims (India) Limited	Alok Knit Exports Limited
Alok Textile Traders	Ashok Realtors Private Limited
Triumphant Victory Holdings Limited.	Nirvan Exports
D. Surendra & Co.	Pramatex Enterprises

(III) Joint Venture

Aurangabad Textiles & Apparel Parks Limited	New City Of Bombay Mfg. Mills Limited
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(IV) Key Management Personnel (KMP)

Ashok B. Jiwrajka	Chandra Kumar Bubna (resigned w.e.f. 30 Septemeber 2013)
Dilip B. Jiwrajka	K H Gopal (appointed as Executive Director w.e.f. 10 November 2012)
Surendra B. Jiwrajka	
Sunil O Khandelwal (appointed as Executive Director w.e.f. 10 November 2012)	Alok A. Jiwrajka (appointed as Chief Operating Officer w.e.f. 1 December 2012)
Niraj D. Jiwrajka (appointed as Joint Chief Operating Officer w.e.f. 1 December 2012)	Varun S. Jiwrajka (appointed as Joint Chief Operating Officer w.e.f. 1 December 2012)

(V) Relatives of Key Management Personnel

Alok A. Jiwrajka (up to 30 November 2012)	Suryaprakash Bubna (resigned w.e.f. 28 February 2013)
Niraj D. Jiwrajka (up to 30 November 2012)	Varun S. Jiwrajka (up to 30 November 2012)

(VI) Firms in which relatives of Key Management Personnel are interested

AVAN Packaging and Boards	C. J. Corporation
Linear Design	

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

b. Transactions with related parties.

(₹ Crores)

	Transaction	31-Mar-15	30-Sep-13
(a)	Advance Share Application Money (Received)		
	Entities under common control		
	Alok Knit Exports Private Ltd.		
	Balance as at 1 October / April	-	280.00
	Received During the period	-	155.49
	Refunded during the period	-	280.00
	Shares Alloted during the period	-	155.49
	Balance as at 31 March / 30 September	-	-
	Alok Denims (India) Limited		
	Balance as at 1 October / April	-	70.00
	Refunded during the period	-	70.00
	Balance as at 31 March / 30 September	-	-
	Key Management Personnel		
	Others		
	Balance as at 1 October / April	-	-
	Received During the period	-	41.38
	Shares Alloted during the period	-	41.38
	Balance as at 31 March / 30 September	-	-
	Relatives of Key Management Personnel		
	Others		
	Balance as at 1 October / April	-	-
	Received During the period	-	4.51
	Shares Alloted during the period	-	4.51
	Balance as at 31 March / 30 September	-	-
(b)	Long term borrowing		
	Entities under common control		
	Triumphant Victory Holdings Limited		
	Balance as at 1 October / April	753.33	613.88
	Received / adjusted during the period	241.69	-
	Repaid during the period	504.83	-
	Translation difference during the period	(5.71)	139.45
	Balance as at 31 March / 30 September	484.48	753.33
(c)	Short term borrowings		
	Entities under common control		
	Triumphant Victory Holdings Limited		
	Balance as at 1 October / April	596.87	196.95
	Received / Adjusted during the period	(93.15)	355.18
	Translation difference during the period	51.23	44.74
	Balance as at 31 March / 30 September	555.04	596.87

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

(₹ Crores)

	Transaction	31-Mar-15	30-Sep-13
(d)	Short term loans and Advances		
	Associates		
	Alspun Infrastructure Limited		
	Balance as at 1 October / April	1.84	-
	Granted during period	0.04	1.84
	Shares allotted during the period	1.76	-
	Balance as at 31 March / 30 September	0.12	1.84
	Others		
	Balance as at 1 October / April	0.06	0.63
	Granted during period	-	-
	Repaid during the period	0.06	0.57
	Balance as at 31 March / 30 September	-	0.06
	Entities under common control		
	Triumphant Victory Holdings Limited		
	Balance as at 1 October / April	9.73	8.59
	Repaid during the period	9.73	0.83
	Translation difference during the period	-	1.96
	Balance as at 31 March / 30 September	-	9.73
	Firms in which relatives of KMP are interested		
	Others		
	Balance as at 1 October / April	-	-
	Granted during the period	0.01	-
	Balance as at 31 March / 30 September	0.01	-
(e)	Investments		
	Associates		
	Next Creations Holdings LLC		
	Balance as at 1 October / April	4.47	4.47
	Sold during the period	4.47	-
	Balance as at 31 March / 30 September	-	4.47
	Others		
	Balance as at 1 October / April	84.31	84.31
	Invested during period	1.76	-
	Balance as at 31 March / 30 September	86.07	84.31
	Entities under common control		
	Triumphant Victory Holdings Limited.		
	Balance as at 1 October / April	4.71	3.84
	Invested during period	219.00	-
	Translation difference during the period	(0.02)	0.87
	Balance as at 31 March / 30 September	223.69	4.71
(f)	Trade Receivables		
	Balance as at 31 March / 30 September		
	Associates		
	Next Creations Holdings LLC	0.03	29.89
	Joint Venture Companies		
	Aurangabad Textile and Apparel Park Limited	-	0.35

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

(₹ Crores)

	Transaction	31-Mar-15	30-Sep-13
(g)	Trade Payables		
	Balance as at 31 March / 30 September		
	Entities under common control		
	Alok Denims (India) Limited	31.94	-
	Others	2.81	-
	Joint Venture Companies		
	New City of Bombay Mfg. Mills Limited	-	13.50
	Firms in which relatives of KMP are interested		
	C. J. Corporation	15.41	4.26
	Others	1.42	1.90
(h)	Other current liabilities (advanced received)		
	Balance as at 31 March / 30 September		
	Entities under common control		
	Alok Knit Exports Private Ltd.	1.77	1.57
(i)	Sales of Goods (Including jobwork charges)		
	Sales of Goods (Including jobwork charges)		
	Associates		
	Next Creations Holdings LLC	20.08	97.67
	Joint Venture Companies		
	Others	-	0.65
	Firms in which relatives of KMP are interested		
	Others	0.31	11.42
(j)	Expenditure		
	Purchase of semi finished goods		
	Entities under common control		
	Alok Denims (India) Limited	253.37	66.27
	Joint Venture Companies		
	Others	6.89	43.88
	Firms in which relatives of KMP are interested		
	Others	8.97	8.28
	Purchase of packing material		
	Firms in which relatives of KMP are interested		
	C. J. Corporation	65.55	69.37
	Rent		
	Entities under common control		
	Alok Knit Exports Private Ltd.	2.97	-
	Relatives Key Management Personnel		
	Others	-	0.08
	Firms in which relatives of KMP are interested		
	Others	-	0.10
	Consultancy Charges		
	Firms in which relatives of KMP are interested		
	AVAN Packaging & Boards	1.66	3.41
	Remuneration		
	Key Management Personnel		

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

(₹ Crores)

Transaction	31-Mar-15	30-Sep-13
Ashok B. Jiwrajka	4.58	4.58
Dilip B. Jiwrajka	4.58	4.58
Surendra B. Jiwrajka	4.58	4.58
Chandrakumar Bubna	-	4.58
Sunil O. khandelwal	1.84	1.20
K. H. Gopal	1.78	1.17
Others	1.34	0.72
Relatives of Key Management Personnel		
Others	-	0.14
Dividend Paid		
Entities under common control		
Alok Knit Exports Private Ltd.	11.87	5.76
Key Management Personnel		
Surendra B. Jiwrajka	1.61	1.17
Others	2.10	1.29
Interest paid		
Entities under common control		
Triumphant Victory Holdings Limited	34.40	65.24
Joint Venture Companies		
Others	-	0.57
(j) Income		
Rent		
Firms in which relatives of KMP are interested		
Linear Design	0.15	0.14
C. J. Corporation	0.04	0.05
Entities under common control		
Others	-	0.12

32 Employee Stock Option Scheme (ESOS)

Pursuant to the ESOS scheme 2010, the Company granted 23,044,650 options on 28 September 2013 at an exercise price of ₹ 10. The options vest over a period of 1 year from grant date. Details of movement in options granted is as follows :

Opening balance	No of Options granted	Options exercised	Options surrendered / lapsed	Closing balance
23,022,850	-	202,300	3,690,950	19,129,600
(-)	(2,30,44,650)	(-)	(21,800)	(2,30,22,850)

Figures in brackets indicate previous period numbers.

The Company has followed the intrinsic value-based method of accounting for stock options granted, based on Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. Had the compensation cost for the Company's stock based compensation plan been determined in the manner consistent with the fair value approach as described in the Guidance note, Company's net income would be lower by ₹ 3.48 Crores and EPS would be lower by ₹ 0.02, as reported. The Company has adopted Black Scholes option pricing model to determine fair value of stock options.

The weighted average fair value of options exercised, on date of exercise is ₹ 1.82

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

33 Earnings per share (EPS)

Sr. No.	Particulars	31-Mar-15	30-Sep-13
a.	Nominal value of equity shares per share (In Rupees)	10	10
b.	Basic & Diluted EPS		
	Net Profit Available for Equity Shareholders (₹ Crores)	258.26	296.72
	Weighted average number of Equity Shares - Basic	1,377,166,632	975,659,092
	Basic Earnings per share (Rupees)	1.88	3.04
	Add : Effect of dilutive stock options (Nos.)	489,587	-*
	Weighted average number of Equity Shares - Diluted (Nos.)	1,377,656,219	975,659,092
	Diluted Earnings per share (Rupees)	1.88	3.04

* Potential equity shares on account of stock options are ignored in the calculation of the diluted earnings per share since it is antidilutive.

34 Employee benefit plans

i) Defined contribution plans:

- Amounts recognised as expenses towards contributions to provident fund, superannuation and other similar funds by the Company including for its subsidiary companies and joint venture companies in India are ₹ 7.06 crores (previous period ₹ 9.75 crores) for the period ended 31 March 2015.
- The Company contributed ₹18.52 crores (Previous period ₹ 17.57 crores) towards various other defined contribution plans of subsidiaries located outside India during the period ended 31 March 2015 as per laws of the respective country.

ii) Defined benefit plans:

a) Gratuity Plan:

The Company makes annual contribution to the Employee's Group Gratuity Assurance Scheme, administered by the Life Insurance Corporation of India ('LIC'), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.

b) Compensated absences:

Employees' entitlement to compensated absences in future periods based on unavailed leave as at balance sheet date, as per the policy of the Company, is expected to be a long term benefit and is actuarially valued.

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

The following table sets out the status of the gratuity plan for the period ended 31 March 2015 as required under AS 15 (Revised)

(₹ Crores)

Particulars	Gratuity (funded) as on 31-Mar-15	Gratuity (funded) as on 30-Sep-13
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	25.30	20.25
Current Service Cost	8.13	7.20
Interest Cost	4.05	3.17
Actuarial gain	(0.60)	(3.20)
Benefits Paid	(4.49)	(2.12)
Closing Defined Benefit Obligation	32.39	25.30
Change in Fair Value of assets		
Opening Fair value of assets	12.85	7.40
Expected Return on Plan Assets	1.83	1.05
Actuarial (loss)/gain	0.70	(0.08)
Contribution by Employer	4.96	6.58
Benefits Paid	(4.47)	(2.10)
Closing fair value of plan assets	15.87	12.85
Net Liability	16.52	12.45

Expense to be recognised in statement of Profit and Loss

(₹ Crores)

Particulars	Period ended 31-Mar-15	Period ended 30-Sep-13
Current Service Cost	8.13	7.20
Interest on Defined Benefit Obligation	4.05	3.17
Expected Return on Plan Assets	(1.83)	(1.05)
Net Actuarial (gain)/loss	(1.30)	(3.12)
Total Included in Employment Expenses	9.05	6.20
Actual Return on Plan Assets	2.47	0.94
Category of Assets as at 31 March / 30 September		
Insurer Managed Fund	15.87	12.85

The assumptions used in accounting for gratuity are set out below:

(₹ Crores)

Particulars	Period ended 31-Mar-15	Period ended 30-Sep-13
Discount rate	7.90%	9.10%
Rate of increase in compensation levels of covered employees	9.00%	9.00%
Expected Rate of return on plan assets *	8.50%	8.50%

* Expected rate of return on plan assets is based on expectation of the average long term rate of return expected to prevail over the estimated term of the obligation on the type of the investments assumed to be held mainly by LIC, since the fund is managed by Insurer. The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotions and other relevant factors.

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

Experience Adjustments

(₹ Crores)

Particulars	Period / Year Ended				
	31-Mar-15	30-Sep-13	31-Mar-12	31-Mar-11	31-Mar-10
Defined benefit obligation	32.39	25.30	20.25	15.40	10.68
Plan Assets	15.87	12.85	7.40	4.71	2.86
Surplus / (Deficit)	(16.52)	(12.45)	(12.85)	(10.60)	(7.82)
Experience Adjustments on plan Liabilities	(5.06)	(1.11)	1.09	0.71	0.16
Experience Adjustments on plan Assets	0.69	(0.06)	0.26	0.08	0.07

Asset Allocations

Since the investments are held in the form of deposit with the fund manager, these are not volatile and the market value of assets is the cost value of assets and has been accordingly considered for the above disclosure.

35 Segment Reporting

a) Primary Segment: Geographical Segment

The company is in the business of manufacturing of Textile products. Considering the level of international operations and present internal financial reporting based on geographical location of customer, the company has identified geographical segment as primary segment.

The geographic segment consists of:

- Domestic (Sales to Customers located in India)
- International (Sales to Customers located outside India)

Revenue directly attributable to segments is reported based on items that are individually identifiable to that segment. The company believes that it is not practical to allocate segment expenses, segment results, assets used, except debtors, in the company's business or liabilities contracted since the resources / services / assets are used interchangeably within the segments. Accordingly, no disclosure relating to same is made.

(₹ Crores)

Particulars	31-Mar-15	30-Sep-13
Segment Revenue		
Operating Revenue – Sales		
Domestic [Net of Excise duty of ₹ 229.89 crores (previous period ₹ 456.73 crores)]	18,346.72	14,814.67
International	5,719.51	6,523.68
Job Charges collected (Domestic)	86.83	50.01
Total segment revenue*	24,153.06	21,388.36

(₹ Crores)

Particulars	As at 31-Mar-2015	As at 30-Sept-13
Segment Assets		
Trade Receivable*		
Domestic	7,418.02	4,778.77
International	259.46	306.90
TOTAL	7,677.48	5,085.67

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

b) Secondary Segment: Business Segment

The Group is operating in a single business segment i.e. Textile and as such all business activities revolve around this segment. Hence, there is no separate secondary segment to be reported considering the requirement of AS 17 on "Segment Reporting"

- 36** The company has taken premises on operating lease. Lease rentals paid during the year are recognised as an expense as per Accounting Standard 19 (AS-19) "Leases".

Details of lease rentals payable in future are as follows:

		(₹ Crores)	
Sr. No.	Due	31-Mar-15	30-Sep-13
1	With in one year	3.01	4.58
2	Later than one year and not later than 5 years	53.74	45.68
3	Later than 5 years	61.17	83.97
Total		117.92	134.23

Lease rental expense aggregating to ₹ 156.25 crores (previous period ₹ 239.07 crores) recognised in Statement of Profit & Loss

Details of lease rentals receivable in future are as follows:

		(₹ Crores)	
Sr. No.	Due	31-Mar-15	30-Sep-13
1	With in one year	8.68	0.49
2	Later than one year and not later than 5 years	8.19	3.29
3	Later than 5 years	24.34	25.09
TOTAL		41.21	28.87

Lease rental income aggregating to ₹ 21.35 crores (previous period ₹ 3.67 crores) recognised in Statement of Profit & Loss.

- 37** During an earlier year, Triumphant Victory Holdings limited ("TVHL") a promoter group company, obtained a loan from Axis Bank. Such loan is secured by all assets of Grabal Alok (UK) Limited, the Company's majority owned subsidiary company.
- 38** i. Nominal amounts of derivative contracts entered into by the company for hedging currency risk and outstanding as on 31 March 2015 amount to ₹ 240.98 Crores (Previous period ₹ 1,202.95 Crores). Category wise break-up is given below

		(₹ Crores)	
Sr. No.	Due	31-Mar-15	30-Sep-13
1	Interest Rate Swaps (JPY/INR)	-	40.00
2	Foreign Currency Options *	209.68	718.80
3	Foreign Exchange forward contracts		
	for receivable	31.30	351.55
	for payable	-	92.60
TOTAL		240.98	1,202.95

* Represents monthly currency option for receivables, maturing over a period of 1 year

Notes to Consolidated Financial Statements

for the period from 1 October 2013 to 31 March 2015

- 39** i) Exceptional item for the current period represents impairment loss in respect of Goodwill on consolidation aggregating to ₹ 131.00 crores (previous period ₹ 316.99 crores).
- ii) Exceptional items during the previous period included unrealized exchange fluctuation on foreign currency assets/liabilities and foreign exchange derivative contracts of ₹ 317.39 crores, considering the unusual volatility of Indian Rupee against US dollar.
- 40** The Company has extended the accounting year end from 30 September 2014 to 31 March 2015 to align with the requirements of having 31 March as the year end as required under the Companies Act, 2013. Accordingly, the current accounting period is for 18 months from 1 Oct 2013 to 31 Mar 2015. The previous accounting period of the Company was also for 18 months from 1 April 2012 to 30 September 2013. The figures of the two periods are therefore not strictly comparable.
- 41** Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.

For and on behalf of the Board

Ashok B. Jiwrajka
Dilip B. Jiwrajka
Surendra B. Jiwrajka
Sunil O. Khandelwal
Partner

Executive Director
Managing Director
Joint Managing Director
Executive Director &
Chief Financial Officer

K. H. Gopal

Executive Director & Secretary

Place : Mumbai

Place : Mumbai

Date: 28 May 2015

Date: 28 May 2015

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Notes

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REGISTERED OFFICE

17/5/1, 521/1, Village Rakholi/Saily,
Silvassa, The Union Territory of
Dadra and Nagar Haveli - 396 230

Tel.: 0260 3087000

Fax: 0260 2645289

CORPORATE OFFICE

Tower B, 2nd & 3rd Floor,
Peninsula Business Park,
Ganpatrao Kadam Marg,
Lower Parel, Mumbai - 400 013

Tel.: +91 22 61787000

E-mail: info@alokind.com

Visit us at: www.alokind.com

ALOK INDUSTRIES LIMITED

Regd. Office: Survey Nos.17/5/1 & 521/1, Village Rakholi/ Saily, Silvassa – 396230,
Union Territory of Dadra and Nagar Haveli
CIN: LI7110DN1986PLC000334



ATTENDANCE SLIP

Attendance by

(Please tick the appropriate box)

☐ Member

☐ Proxy

☐ Authorised Representative

I hereby record my presence at the 28th Annual General Meeting of the Company on Friday, 26th June, 2015 at 12:00 noon at Survey Nos.17/5/1 & 521/1, Village Rakholi/ Saily, Silvassa – 396230, Union Territory of Dadra and Nagar Haveli.

Name of Proxy/Member/
Authorised Representative
(In Block Letters)

Proxy's/Member's/
Authorised Representative's
Signature

Ledger Folio No : _____

* D.P. ID : _____

* Client ID : _____

* Applicable for persons holding shares in Electronic Form



EVEN (E-VOTING EVENT NUMBER)	USER ID	PASSWORD

ALOK INDUSTRIES LIMITED

Regd. Office: Survey Nos.17/5/1 & 521/1, Village Rakholi/ Saily, Silvassa – 396230,
Union Territory of Dadra and Nagar Haveli
CIN: LI7110DN1986PLC000334



PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):	
Registered address	
E-mail Id:	
Folio No/Client Id:	
DP ID:	

I/We, being the member (s) of _____ shares of the above name company, hereby appoint

1. **Name:**

Address:

E-mail Id:

Signature:

or failing him

2. **Name:**

Address:

E-mail Id:

Signature:

or failing him

3. **Name:**

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote for me/us and on my/our behalf at the 28th Annual General Meeting of the Company to be held on the Friday, 26th June, 2015 at 12:00 noon at Survey Nos.17/5/1 & 521/1, Village Rakholi/ Saily, Silvassa – 396230 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional	
		For	Against
Ordinary Business			
1.	Adoption of Audited Financial Statements, Report of the Board of Directors and Auditors for the 18th months period ended 31 March, 2015		
2.	Re-appointment of Mr. Sunil O. Khandelwal who retires by rotation.		
3.	Re-appointment of Mr. K.H. Gopal who retires by rotation.		
4.	Appointment of M/s. Deloitte Haskins & Sells, LLP., Chartered Accountants as Statutory Auditors of the Company.		
Special Business (Ordinary Resolutions)			
5.	Approval of remuneration payable to Cost Auditor of the Company.		
6.	Confirmation of Mr. Timothy Ingram as an Independent Director for a period of 5 years commencing from 26th June, 2015.		
7.	Appointment of Mr. Surinder Kumar Bhoan as an Independent Director for a period of 5 years commencing from 30th March, 2015		

Signed this _____ day of _____ 2015.

Affix
Revenue
Stamp

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.