

29th  
Annual  
Report  
2015-16

# FAITH FOCUS COMMITMENT



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# FAITH FOCUS COMMITMENT



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There are times during every journey when our faith in our own resolve is tested. The road climbs uphill, the terrain becomes difficult, we fall and we rise.

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At that point, we need to focus, and reiterate our commitment to re-start our journey to reach the destination with new experience, wisdom and a burning desire to conquer once again.

Our company is passing through challenging times. It was marred by over leveraging of debt, rising interest cost, non-conducive external environment and long gestation and non-performance of some of the businesses, all of which were blockades in realisation of the true potential of the core asset i.e. textiles. But at the same time, this challenging period has provided us with harsh truths and lessons which will keep us on the right path going forward.

In our journey so far of around three decades, there are quite a few positives though; Alok Industries has become one of the largest textile companies in the country, with world-class manufacturing capabilities, an extensive export network, and a portfolio of clients consisting of top brands.

**We have faith in our ability to pull through this crisis. We have focussed on regaining our premier position in the Indian textile industry. We have the commitment to work tirelessly to reach our goals and regain the confidence of all the stakeholders.**

# ALOK INDUSTRIES AT A GLANCE

## Complete Textile Solutions

Global Scale,  
Innovation,  
Quality, Competitive  
Cost, and Delivery  
Efficiency



We are India's largest fully integrated textile company with a dominant presence in the cotton and polyester value chain. We are well-supported by sound infrastructure, in-house Research & Development, design capability, environmental compliance and motivated work force.

### Alok offers solutions across

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

**4 manufacturing locations in India in Silvassa, Vapi, Navi Mumbai and Bhiwandi**

**Close to 20,000 employees**

**Exporting to over 90 countries across USA, Europe, Latin America, Asia and Africa**



## Alok's USP

- ▶ 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 the global retailers, 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





## 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

### Working Capital lenders

- 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
- Kotak Mahindra 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

### Other lenders

- Bank of Bahrain & Kuwait
- Barclays Bank
- DBS Bank
- Dombivli Nagari Sahakari Bank Ltd.
- ICBC
- IFCI Limited
- Landesbank Baden Wurttemberg
- Life Insurance Corporation Of India

- Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. (FMO)
- New India Co-op Bank Ltd.
- Norddeutsche Landesbank Girozentral
- Saraswat Co-Op Bank
- SICOM Ltd.
- SIDBI
- State Bank of Mauritius
- The Federal Bank Ltd.
- VTB Capital

### Statutory Auditors

- 1) Shah Gupta & Co.  
Chartered Accountants
- 2) NBS & Co.  
Chartered Accountants

### Internal Auditors

- Bhandarkar & Co.  
Chartered Accountants
- Devdhar Joglekar & Srinivasan  
Chartered Accountants
- N.T. Jain & Co.  
Chartered Accountants
- HPVS & Associates  
Chartered Accountants

### Legal Advisors & Solicitors

Oasis Counsel & Advisory

### 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](http://www.alokind.com)

### E-mail Address

[info@alokind.com](mailto:info@alokind.com)

### Registered Office

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

### Corporate Office

Peninsula Business Park, Tower B,  
2<sup>nd</sup> and 3<sup>rd</sup> Floor, 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

Ground Floor, Rajee, 8-3/1,  
Langford Town, Bengaluru - 560 025

#### OVERSEAS

##### Sri Lanka

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

##### Bangladesh

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

##### China

Room No.701, Yongtong  
Communication Plaza, East Wing  
Bldg, 141, Huancheng North Road,  
Hangzhou, Zhejiang, China (310004)

## **Dubai**

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

## **USA**

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

## **United Kingdom**

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 Saily, Silvassa,  
Union Territory of Dadra & Nagar  
Haveli

### **Weaving**

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

### **Processing**

- 254, 261, 268, Balitha,  
Taluka Pardi, Dist. Valsad, Gujarat
- 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/317, TTC Industrial Area, MIDC,  
Mahape, Navi Mumbai.
- 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**

- 374/2/2, Saily,  
Silvassa Khanvel Road,  
Union Territory of Dadra &  
Nagar Haveli.
- 17/5/1, Rakholi, Silvassa,  
Union Territory of Dadra &  
Nagar Haveli
- 148/149, Village Morai,  
Taluka - Vapi, Dist. Valsad, Gujarat
- 50/P2, 52/P1, Morai, Taluka Pardi,  
Dist. Valsad, Gujarat

## **Home Textiles**

### **I) Bed Linen**

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

### **II) Terry Towel**

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

# Chairman's Message



**The company optimism over its restoration to health sooner or later is based largely on its ability to appreciably grow its exports. With costs increasing China, there is adequate opportunities in the export markets and Alok with its existing customer relations is well positioned to leverage this. It is noteworthy that even in a very difficult year like 2015-16, the Company has managed an average monthly export of over Rs. 100 crore.**



## Dear Shareholders,

2015-16 has been a challenging year for most of the Indian companies right across manufacturing / infrastructure based industries, and Alok Industries was no exception. The way their business dynamics has evolved over the last few years has necessitated a recalibration of growth plans and revision of business strategies.

From a macro-economic perspective, the world has not recovered fast enough from the financial crisis of 2008. Since then, an investment led aggressive growth in China and consumption led rapid growth in emerging economies like India had signalled a new world economic order and early signs of fast recovery. Unfortunately, these trends did not last long. In 2015-16, there have been significant slowdown in China, which was driving global growth and several other emerging economies, especially those that were dependent on commodities faced severe headwinds. Consequently, world economic growth has stagnated between 3 and 3.5%, and there are big pockets of uncertainty, which has affected business world-wide. In this backdrop, while Indian manufacturing companies have grown appreciably in the last few years, the pressures on their balance sheets have also accentuated. This is especially the case for companies in sectors where investments were critical for global competitiveness and largely funded through debt. The whole of last year was characterised by banks facing challenges of managing leveraged accounts and finding viable solutions.

These underlying industry-wide developments in India affected Alok Industries as well. Through a planned growth path supported by organic and inorganic investments, in the last few years, the Company has created world class capacities, built global scale of operations and established strong supply relationships



with a wide spectrum of global customers. However, this capacity creation has been accompanied by a large build-up of debt and today there is a mismatch in timings of cash inflows and outflows, creating severe financial stress for the Company.

Let me take a step back and see how we got to this stage. First, there was the general global economic slowdown post the financial crisis of 2008 and global markets witnessed a slowdown. Second, our investments in the retail business both in India and UK did not work. While we closed operations in India, the UK business is still burning cash. Third, the diversification into real estate although intrinsically value creating has not been able to encash on any asset appreciation and has essentially locked up large capital. Fourth, our aggressive expansion into Polyester came on stream at a time when global polyester prices dropped dramatically driven primarily by sharp fall in oil prices. Fifth, during the expansion phase, interest rates have gone up from around 7.50% to a little over 13%, which put further pressures on servicing debt and even contributed to incremental debt. Sixth, this period also witnessed huge fluctuations in foreign exchange rates, and much of the benefits of lower costs of foreign exchange nominated external commercial borrowings were eroded due to devaluation of the Indian Rupee. Lastly, the bunching of repayments at the parent level (Alok Industries) and at the subsidiary level guaranteed by the parent also contributed to the liquidity crunch. Clearly, these were massive headwinds and affected the scale of our operations. Under this financial stress, 2015-16 was a year with very little working capital support that further aggravated a difficult situation and the Company operated at very low utilisation levels resulting in operational losses.

The lenders are undertaking various efforts to try and resolve the Company's present situation. Between November 2015 and January 2016, a joint forum of

bankers led by State Bank of India, has decided to convert the loans extended to the parent company Alok Industries into a 65% stake by invoking the Strategic Debt Restructuring (SDR) option. SDR, introduced by the Reserve Bank of India (RBI) in June 2015, allows banks to convert a part of a defaulting borrower's debt into majority equity and assume operational control and manage the Company on a lower debt platform. This process has been under abeyance for some time now due to certain developments that are sub-judice. At present, there are also efforts to work out a long term viable deep restructuring for the Company.

While the lenders will, presumably focus on resolving the leveraging issues one way or the other, the overall Company efforts are directed at consolidation. This includes accelerating our efforts on selling non-core assets including real estate and overseas businesses. The monetization of the company's immovable assets and the proceeds from the sale of international business would help reduce debt.

The Company has had a very good reputation of servicing its global clients. In the last couple of years, given a realisation that there were working capital constraints, the Company out of its own volition had subdued its business with customers. We are confident, though that given our strong relationships with these Companies, quality of products and past delivery track record, we can bounce back in the market once the restructuring is done.

The Company has a strong home textile, apparel fabric and polyester business to drive exports. It may be noted that the company's home textile business is established enough in the US market as to account for more than 35% of its overall exports. Meanwhile, the other Divisions of Alok are expected to yield better results in the coming years as the demand for Indian textile is on an upswing. The company

is currently exporting its products to more than 90 countries and plans to take advantage of the current downtrend in yarn exports from China. The company optimism over its restoration to health sooner or later is based largely on its ability to appreciably grow its exports. With costs increasing in the export markets and Alok with its existing customer relations is well positioned to leverage this. It is noteworthy that even in a very difficult year like 2015-16, the Company has managed an average monthly export of over Rs.100 crore.

Yes, the Company is facing challenging times. Our lenders have shown faith in our business and are exploring paths of debt realignment and revival of the company's operations. In the Company, we are focused on creating excellence right across our textile business. There are several small level initiatives under way that is aimed solely at our core textiles business and our 'eye is continuously on ball' to revive and accelerate this business. Together with all our stakeholders including our lenders, we are committed to restoring the past glory of Alok Industries.

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 financiers 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 your continued support.

I urge you all to continue to repose faith in our business model, and partner with us as we work hard to turn the corner and embark on a new journey of growth.

Yours Sincerely,

**S.K. Bhoan**  
Chairman

## Board of Directors



1

**Mr. Surinder Kumar Bhoan** (67) is Chairman (Independent) of the Company since 30<sup>th</sup> March; 2015. He has done B. Tech from TITS, Bhiwani in Haryana. He has over 45 years of experience in various fields like Research Institutions, Renewable Energy, Investment Banking, Development Banking, and Textile Industry. He Retired as General Manager from IFCI Ltd. He has also served as Director on the board of several companies.



2

**Mr. Ashok. B. Jiwrajka** (65) 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 rich experience of over three decades in textiles. He is a member of the core management committee which takes key decisions about the Company.



3

**Mr. Dilip. B. Jiwrajka** (59) 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. He has rich experience of over three decades in textiles. He is a member of the core management committee which takes key decisions about the Company.



4

**Mr. Surendra B. Jiwarajka** (56) is the Joint Managing Director of the Company. Mr. Jiwarajka'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. Jiwarajka brings with him an long experience of over three decades in textiles. He is a member of the core management committee which takes key decisions about the Company.



5

**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 38 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.



6

**Mr. Atanu Sen** (62) is a nominee director of State Bank of India since 24.09.2015. He has done M.A in Economics from Calcutta University and CAIIB. He has over 3 decades of experience in banking and life insurance. He was Dy. Managing Director and Chief Credit & Risk Officer with SBI. He retired as Managing Director & CEO of SBI Life Insurance Company Ltd. He is serving as Independent Director in several Companies.



## FAITH FOCUS COMMITMENT

29<sup>th</sup> Annual Report | 31<sup>st</sup> March, 2015 to 31<sup>st</sup> March, 2016



7

**Mr. Kamal Kishore C. Jani** (62) is an Independent Director since 24.09.2015. He is BE (Chemical), PGDM Finance. He worked with Saurashtra Chemicals, GSFC and IDBI Bank. He has over 3 decades of experience in production, project finance, HR, Credit, Ratings and MIS. He retired as Executive Director from IDBI Bank.



8

**Mr. Pradeep K. Rath** (60) is a nominee director of LIC of India from 14.10.2015. He is Post Graduate in Humanities. He has over 35 years of experience in Life Insurance, Marketing & Operations, Pension & Group Business, Housing Finance and Insurance Education. Presently, he is working as Executive Director (Audit) with LIC of India.



9

**Mr. Rajeev Kumar** (54) is a nominee director of IDBI Bank Ltd from 28.12.2015. He is B.Tech in Chemicals Technology and MBA in Finance. He has over 25 years of experience in Project Appraisal, Infrastructure Debt Fund, Investment Banking, Securitization and Corporate Relationship. He is presently working as Chief General Manager with IDBI Bank.



10

**Mr. Sunil O. Khandelwal** (51) 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 27 years. He is a member of the core management committee which takes key decisions about the Company. He oversees Corporate Finance, Operation Review, Accounts & Tax and Internal Control.

11

**Mr. K.H. Gopal** (50) is the 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. He is a member of the core management committee which takes key strategic decisions regarding the Company. He oversees the legal & secretarial, forex management, information technology, risk management and administration functions.





# Financial Highlights

Particulars	31.03.16 (12 Months) (Audited)	31.03.15 (18 Months) (Audited)	30.9.13 (18 Months) (Audited)	2011-12 (12 Months) (Audited)
<b>Operating profits</b>				
Sales - Domestic	10,528.90	18,269.12	14,808.84	5,871.31
Sales - Export	1,223.49	3,861.60	5,108.91	3,029.55
Total Sales (Net)	11,752.39	22,130.72	19,917.75	8,900.86
Operating Profit	(2,458.25)	5,270.41	5,766.86	2,624.76
Depreciation	635.35	1,461.21	1,360.77	713.43
PBIT	(3,093.60)	3,809.20	4,406.09	1,911.32
Interest	2,525.45	3,251.16	2,542.45	1,149.55
PBT (operating)	(5,619.05)	558.04	1,863.64	761.77
PAT (operating)	(3,722.80)	348.76	920.16	380.53
Cash Profit	(1,870.83)	1,997.88	2,896.89	1,334.19
Dividend	-	-	48.34	28.81
Net Cash Accruals	(1,870.83)	1,997.88	2,848.55	1,305.38
<b>Financial Position</b>				
Gross Fixed Assets	13,646.91	13,563.18	13,469.91	11,840.69
Net Fixed Assets	7,827.27	8,376.75	9,738.56	9,466.25
Current Assets	18,069.30	20,627.54	15,634.80	8,604.32
Foreign Currency Translation A/c	-	-	-	-
Investments	293.40	348.15	129.15	166.79
Deferred tax assets	1,051.85			
<b>Total Assets</b>	<b>27,241.81</b>	<b>29,352.44</b>	<b>25,502.51</b>	<b>18,237.36</b>
Equity Share Capital	1,377.33	1,377.33	1,377.13	826.28
Reserves & Surplus	270.90	4,038.49	3,710.99	2,828.23
<b>Tangible Net worth</b>	<b>1,648.23</b>	<b>5,415.82</b>	<b>5,088.12</b>	<b>3,654.51</b>
Share Application Money	-	-	-	-
Share Warrants	-	-	-	-
<b>Quasi Net worth - 1</b>	<b>1,648.23</b>	<b>5,415.82</b>	<b>5,088.12</b>	<b>3,654.51</b>
<b>Deferred tax liability - 2</b>	<b>-</b>	<b>868.26</b>	<b>664.14</b>	<b>626.77</b>
<b>Total Long Term Borrowings</b>				
Preference Share Capital	-	-	-	-
Secured Loans	7,963.14	7,189.27	9,010.35	6,926.44
Unsecured Loans - FCCB	-	-	-	-
Unsecured Loans	50.46	34.23	75.12	86.62
	8,013.60	7,223.50	9,085.47	7,013.06
<b>Total Short Term Borrowings</b>				
Secured Loans	2,618.67	2,303.65	2,522.66	2,233.10
Unsecured Loans	483.71	148.61	22.41	569.39
Working Capital Borrowings	8,987.35	5,670.91	4,399.64	2,956.67
	12,089.73	8,123.17	6,944.71	5,759.16
<b>Total Borrowings - 3</b>	<b>20,103.33</b>	<b>15,346.67</b>	<b>16,030.18</b>	<b>12,772.22</b>
Non-Current Liabilities - 4	2,835.73	2,764.35	177.47	-
<b>Total Current Liabilities</b>				
Current Liabilities & Provisions - 5	2,654.52	4,957.34	3,542.60	1,183.87
<b>Total Liabilities - 1 to 5</b>	<b>27,241.81</b>	<b>29,352.44</b>	<b>25,502.51</b>	<b>18,237.36</b>
EPS	(27.03)	2.53	9.43	4.69
CEPS	(23.72)	15.27	20.68	15.80
Book Value	11.97	39.32	36.95	44.23



2010-11 (12 Months) (Audited)	2009-10 (12 Months) (Audited)	31-Mar-09 (12 Months) (Audited)	31-Mar-08 (12 Months) (Audited)	31-Mar-07 (12 Months) (Audited)	2005-06 (12 Months) (Audited)
4,171.00	2,752.18	1,922.43	1,133.53	1,182.97	1,026.15
2,217.43	1,558.99	1,054.50	1,036.88	641.71	394.55
6,388.43	4,311.17	2,976.93	2,170.41	1,824.68	1,420.70
1,879.70	1,272.48	822.61	547.75	410.96	301.26
518.79	362.61	233.50	161.96	123.04	80.48
1,360.91	909.87	589.11	385.79	287.92	220.78
736.27	535.08	304.12	131.83	89.04	66.78
624.64	374.80	284.99	253.96	198.88	154.00
404.36	247.34	188.37	167.73	135.18	109.21
1,083.98	711.89	513.98	393.14	302.50	220.70
22.97	22.97	17.28	26.28	28.75	30.20
1,061.01	688.93	496.70	366.86	273.75	190.50
9,920.88	8,215.61	6,692.71	4,368.05	2,954.20	2,121.89
8,333.76	7,145.11	5,983.86	3,891.30	2,583.80	1,874.24
5,793.77	4,801.88	2,685.93	3,377.53	1,992.66	1,403.87
-	0.17	11.20			
139.93	229.69	478.58	618.96	219.49	39.70
<b>14,267.46</b>	<b>12,176.85</b>	<b>9,159.58</b>	<b>7,887.79</b>	<b>4,795.95</b>	<b>3,317.81</b>
787.79	787.79	196.97	187.17	170.37	157.47
2,309.81	1,928.40	1,410.39	1,134.01	854.07	650.06
<b>3,097.60</b>	<b>2,716.19</b>	<b>1,607.36</b>	<b>1,321.18</b>	<b>1,024.44</b>	<b>807.53</b>
-	-	137.50	-	-	-
-	-	10.20	110.16	-	-
<b>3,097.60</b>	<b>2,716.19</b>	<b>1,755.06</b>	<b>1,431.34</b>	<b>1,024.44</b>	<b>807.53</b>
507.66	406.98	307.97	210.48	141.82	100.10
-	-		-	-	68.00
5,956.06	6,056.69	4,948.43	3,706.66	2,049.13	1,392.13
-	107.21	121.01	94.87	202.87	220.63
95.34	272.81	51.09	103.28	6.48	61.32
6,051.40	6,436.71	5,120.53	3,904.81	2,258.48	1,742.08
1,851.37	1,186.19	608.64	550.00	215.00	85.00
881.83	43.00	168.02	745.01	294.36	62.34
1,034.60	843.78	699.16	567.49	568.92	323.08
3,767.80	2,072.97	1,475.82	1,862.50	1,078.28	470.42
9,819.20	8,509.68	6,596.35	5,767.31	3,336.76	2,212.50
-	-	-	-	-	-
843.00	544.00	500.19	478.66	292.93	197.68
<b>14,267.46</b>	<b>12,176.85</b>	<b>9,159.57</b>	<b>7,887.79</b>	<b>4,795.95</b>	<b>3,317.81</b>
5.13	4.57	9.64	11.40	9.70	6.68
13.47	9.04	24.04	20.53	16.99	12.61
39.32	34.48	89.10	76.47	60.13	51.28

# Notice

**NOTICE** is hereby given that the 29<sup>th</sup> **Annual General Meeting** of the members of **ALOK INDUSTRIES LIMITED** (CIN: L17110DN1986PLC000334) will be held at Alok Public School, Alok City, Silvassa-Khanvel Road, Silvassa – 396230, Union Territory of Dadra and Nagar Haveli on Saturday, 24<sup>th</sup> day of September, 2016 at 12 noon to transact the following business:

## ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2016 and the Reports of the Board of Directors and the Auditors thereon.
2. To consider and note the retirement by rotation of Mr. Sunil O. Khandelwal having Director Identification Number 06430362; (*Refer Note 15*)
3. To consider and note the retirement by rotation of Mr. K. H. Gopal having Director Identification Number 06430369; (*Refer Note 15*)
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. NBS & Co. Chartered Accountants (Firm Regn.No.110100W) and M/s. Shah Gupta & Co, Chartered Accountants (Firm Regn. No.109574W), 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 Joint Statutory Auditors of the Company to hold office for a term of 5 years from the conclusion of this 29<sup>th</sup> Annual General Meeting till the conclusion of the 34<sup>th</sup> Annual General Meeting (subject to ratification of the appointment by the members at every intervening Annual General Meeting held after this Annual General Meeting) in respect of the financial years beginning April 1, 2016 and ending March 31, 2021, 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. Appointment of 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 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, M/s. B.J.D. Nanabhoy & Co, Cost Accountants (Firm Registration No.000011), to conduct the audit of the cost records of the Company for the financial year 2016-2017, be paid remuneration of Rs.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 of the Company.”

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 Sections 149,152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Article 130 of the Articles of Association of the Company, Mr. Kamalkishore C. Jani (DIN 02535299), who was appointed as an Additional Independent Non- Executive Director of the Company on 24<sup>th</sup> September, 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 24<sup>th</sup> September, 2015 and whose office shall not be 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: 30<sup>th</sup> May, 2016

**NOTES:**

1. The relative Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 5 & 6 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 17<sup>th</sup> September, 2016 to 24<sup>th</sup> September, 2016, 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 holding 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 31<sup>st</sup> March 2008 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 2009 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
31.03.2009	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 of declaration	Last date for claiming unpaid dividend	Due date for transfer to IEPF
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.

# FAITH FOCUS COMMITMENT

29<sup>th</sup> Annual Report | 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016

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 Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 29<sup>th</sup> 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 21<sup>st</sup> September, 2016 (10.00 am) and ends on 23<sup>rd</sup> September, 2016 (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 17<sup>th</sup> September, 2016, 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](http://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 [bhattvirendra1945@yahoo.co.in](mailto:bhattvirendra1945@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto: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.

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 downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

- II. 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).
- III. 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 17<sup>th</sup> September, 2016.

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. 17<sup>th</sup> September, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

- IV. 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.
- V. 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.
- VI. 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.
- VII. 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.

- VIII. 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.

The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.alokind.com](http://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 have not offered themselves for re-appointment due to their ineligibility under the provisions of Section 164 (2) of the Companies Act, 2013. Mr. Kamalkishore C. Jani's appointment is being regularized as an Independent Director. The information/details pertaining to the above Director that is to be provided in terms of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is furnished herewith forming part of this Notice.

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, 5<sup>th</sup> 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<sup>st</sup> 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.
18. The route map of the Venue of the Meeting is attached to the Notice.

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: 30<sup>th</sup> May, 2016

# FAITH FOCUS COMMITMENT

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## 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.

## PROFILE OF DIRECTORS BEING APPOINTED

As required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the particulars of Directors who are proposed to be appointed are given below.

### Details of directors seeking re-appointment.

#### Mr. Kamalkishore C. Jani , 62 years

He is an Independent Non-Executive Director of the Company. He is on the Board of Directors of GHCL Ltd., Royale Manor Hotels & Industries Ltd. and HTL Limited. He served as an Executive Director at IDBI Bank Limited until January 2014. He has immense experience in the field of finance and banking including Risk Management, HR, Training, Audit, MIS, IT and compliance.

Other Directorships	1. GHCL Limited 2. Royale Manor Hotels and Industries Limited 3. HTL Limited
Other Committee Memberships	NIL
Number of shares held in the Company	15,000/- Equity Shares.

# Annexure to the Notice

The following Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 sets out all material facts relating to the business mentioned in item nos. 5 & 6 in the accompanying Notice of the Annual General Meeting.

## **Item No.5**

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment of M/s. B.J.D. Nanabhoy & Co, Cost Accountants, as Cost Auditors to conduct the audit of the cost accounts maintained by the Company for the financial year ending 31<sup>st</sup> March 2017.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at item no. 5 of the Notice for approval of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March 2017.

The Board of Directors recommends the approval of the remuneration payable to M/s. B.J.D. Nanabhoy & Co, Cost Accountants for conducting the cost audit and passing of the resolution set out at item no. 5 of the Notice.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested in the passing of the resolution set out at item no.5 of the Notice.

## **Item no. 6**

The Board of Directors has, by a resolution passed at its meeting held on 17<sup>th</sup> December, 2015, recommended to the shareholders that Mr. Kamalkishore C. Jani be appointed as an Independent Director of the Company for a term of five years from 24<sup>th</sup> September, 2015.

A notice, in writing, under Section 160 of the Companies Act, 2013 has been received from a Member of the Company signifying his intention to propose Mr. Kamalkishore C. Jani as a candidate for the office of Independent Director.

Mr. Kamalkishore C. Jani is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has consented to act as Director of the Company. The Company has also received declaration from him that he meets the criteria of independence as prescribed both under Section 149 (6) of the Act and under Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

In the opinion of the Board, he fulfills the conditions specified in the Act and the rules made there under and also under the SEBI LODR for appointment as Independent Director and is independent of the Management.

A profile of Mr. Kamalkishore C. Jani is set out in the section on 'Profile of Directors being appointed' annexed to the Notice.

A copy of the draft letter of appointment which will be issued to Mr. Kamalkishore C. Jani setting out the terms and conditions of his appointment as Independent Director is available for inspection by Members at the Registered Office of the Company on any working day (Monday to Friday) between 11 a.m. and 1 p.m. prior to the date of the Annual General Meeting.

Except Mr. Kamalkishore C. Jani, none of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the resolution set out at item no.6 of the Notice.

By Order of the Board

**K. H. Gopal**  
Executive Director & Secretary

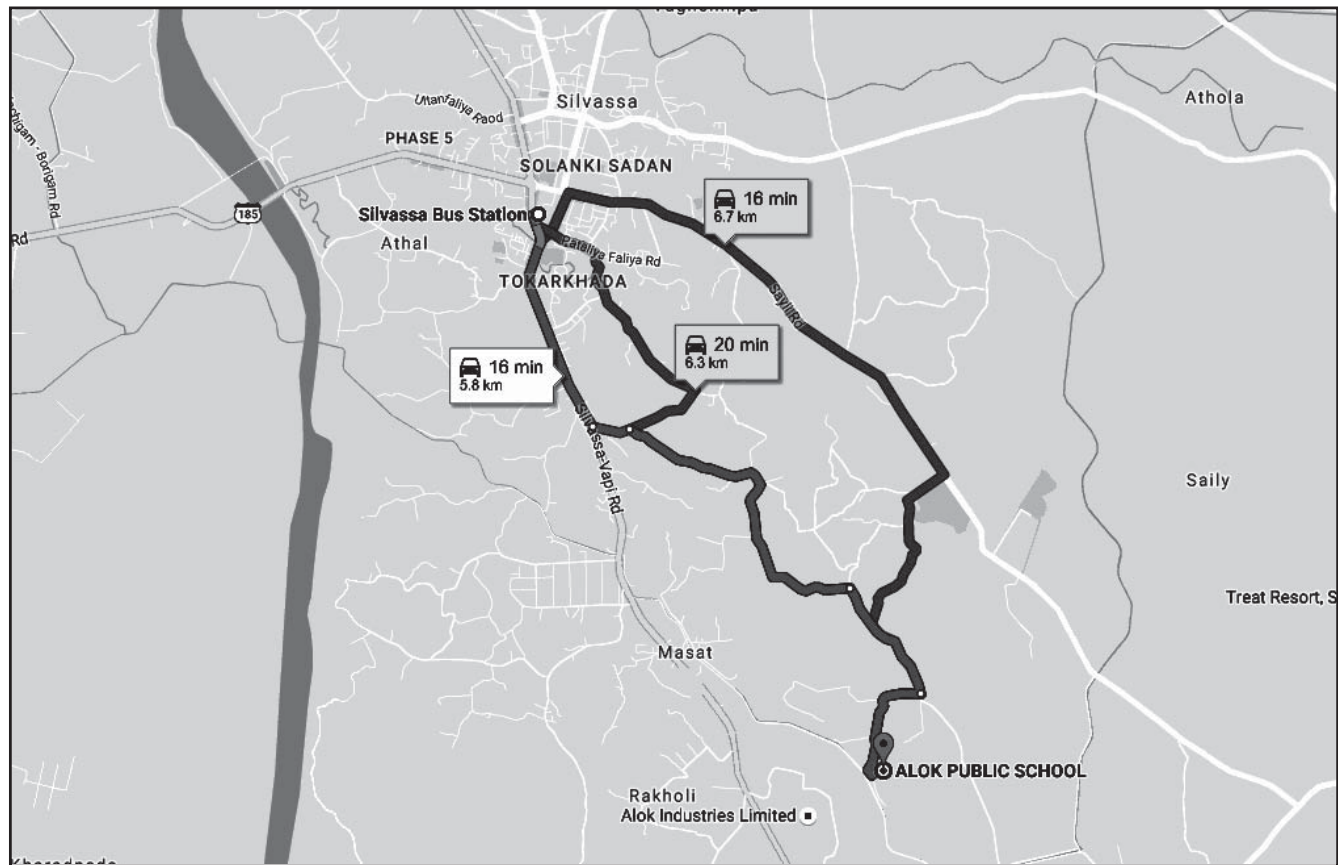
## **Registered Office:**

17/5/1 & 521/1,  
Village Rakholi / Saily,  
Silvassa – 396 230,  
Union Territory of Dadra & Nagar Haveli  
Dated: 30<sup>th</sup> May, 2016

# FAITH FOCUS COMMITMENT

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Route map to AGM Venue



# DIRECTORS' REPORT

## TO THE MEMBERS,

Your Directors present to you their 29<sup>th</sup> Annual Report together with the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2016.

### 1 Financial Results

The financial performance of the Company for the current year is for 12 months, as compared to 18 months period for the previous year, which is summarized below:

(Rs.in crores)

Particulars	Standalone		Consolidated	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	(12 Months)	(18 Months)	(12 Months)	(18 Months)
Sales / Job charges (net of excise)	11,752.39	22,130.72	13,040.90	24,153.06
Other Income	86.98	224.82	93.12	467.20
Total Income	<b>11,839.37</b>	<b>22,355.54</b>	<b>13,134.02</b>	<b>24,620.26</b>
Total Expenditure	14,297.62	17,085.13	15,435.77	19,114.71
<b>Operating Profit/ (Loss) before Interest, Depreciation &amp; Taxes</b>	<b>(2,458.25)</b>	<b>5,270.41</b>	<b>(2,301.75)</b>	<b>5,505.55</b>
Interest	2,525.45	3,251.16	2,690.54	3,512.72
Depreciation	635.35	1,461.21	682.04	1,521.78
<b>Profit / (Loss) Before Tax</b>	<b>(5,619.05)</b>	<b>558.04</b>	<b>(5,674.33)</b>	<b>471.05</b>
Less : Provision for Taxation				
- Current	63.88	(92.90)	(2.99)	(98.19)
- MAT credit entitlement	(87.74)	87.74	(87.74)	87.74
- Deferred	1,920.11	(204.12)	1,922.05	(206.51)
- Prior period adjustment of Tax			63.87	0.22
<b>Profit / (Loss) After Tax</b>	<b>(3,722.80)</b>	<b>348.76</b>	<b>(3,779.14)</b>	<b>254.31</b>
Add / (Less): Share of Profit from Associates	-	-	4.95	3.95
<b>Profit / (Loss) After Tax After Minority Interest</b>	<b>(3,722.80)</b>	<b>348.76</b>	<b>(3,774.19)</b>	<b>258.26</b>
Add : Balance Brought Forward	2,674.57	2,328.84	1,256.09	1,002.21
Available Profit / (Loss) dealt with as under	<b>(1,048.23)</b>	<b>2,677.60</b>	<b>(2,518.10)</b>	<b>1,260.47</b>
<b>(Transfers) and Appropriations</b>				
i) Excess Provision of Dividend for Earlier Years			0.01	-
ii) Tax on Dividend			-	0.57
iii) Transfer (from) / to Debenture Redemption Reserve	(12.18)	3.03	(12.18)	3.03
iv) Transfer to General Reserve			-	0.78
Balance Carried to Balance Sheet	<b>(1,036.05)</b>	<b>2,674.57</b>	<b>(2,505.93)</b>	<b>1,256.09</b>

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



# FAITH FOCUS COMMITMENT

29<sup>th</sup> Annual Report | 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016

## 2. Performance of the Company:

The total revenue from operations for the year 2015-16 was Rs. 11,752.39 crores including exports (with incentives) of Rs. 1,223.49 crores.

The loss before tax was Rs. 5,619.05 crores mainly due to subdued manufacturing operations, lower profitability, provision for doubtful debtors, bad debts written off, higher interest burden and depreciation.

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

## 3. Awards and Recognition:

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

### From Cotton Textile Exports Council of India (TEXPROCIL):

1. Gold Trophy for the Highest Exports of Fabrics in 'Other Fabrics including Embroidered Fabrics, Laces, etc.' under the Category II
2. Gold Plaque for the Highest Exports of Yarn in 'Counts 50s and below' under the Category I
3. Bronze Trophy for the Third Highest Exports of Madeups in 'Bed Linen/Bed Sheets/Quilts' under the Category III
4. Bronze Trophy for the Third Highest Exports of Madeups in 'Terry Towels' under the Category II
5. Bronze Trophy for the Third Highest Exports of 'Bleached/Dyed/Yarn Dyed/Printed Fabrics' under the Category II



## 4. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

Your Company has the following subsidiaries and step down 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- in the process of being struck off)   |
| 7. Alok Universal Singapore Pte Limited (incorporated in Singapore- in the process of being struck off) |
| 8. Alok Global Singapore Pte Limited (incorporated in Singapore- in the process of being struck off)    |
| 9. Alok Merchant Singapore Pte Limited (incorporated in Singapore- in the process of being struck off)  |
| 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. (incorporated in the British Virgin Islands)	100.00%
	Grabal Alok International Limited (incorporated in the British Virgin Islands)	100.00%
Alok Industries International Ltd. (incorporated in the British Virgin Islands)	Mileta, a.s.(incorporated in the Czech Republic)	100.00%
Alok Industries International Ltd (incorporated in the British Virgin Islands)	Grabal Alok (UK) Limited (incorporated in UK)	99.21%
Grabal Alok International Limited. (incorporated in the British Virgin Islands)		0.66%

**Joint Venture**

- (i) New City of Bombay Manufacturing Mills Limited
- (ii) Aurangabad Textiles and Apparel Parks Limited

**Associate**

- (i) Ashford Infotech Private Limited
- (ii) Alspun Infrastructure Limited

As on 31st March, 2016, the Company had 10 subsidiaries (Direct), and 4 step down subsidiaries, 2 Joint Venture companies and 2 Associate Companies. During the year under review, no new subsidiary Company was incorporated, and all the above mentioned subsidiaries and step down subsidiaries existed as on 31<sup>st</sup> March, 2016.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, a statement containing salient features of financial statements of subsidiaries, associates and joint venture companies in Form AOC-1 is attached to the Financial Statements. The separate audited financial statements in respect of each of the subsidiary shall be kept open for inspection at the Registered Office of the Company. The Company will also make available these documents upon request by any Member of the Company interested in obtaining the same.

The Company has framed a policy for determining material subsidiaries, which has been uploaded on company's website [www.alokind.com](http://www.alokind.com)

**5. Consolidated financial statements**

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standards AS-21 on Consolidated Financial statements read with AS-23 on Accounting for Investments in Associates and AS-27 on Financial reporting of Interest in Joint Ventures, issued by the Institute of Chartered Accountants of India, the Consolidated Statements of the Company and that of its Subsidiaries, Joint Ventures and Associates together with the Auditors Report thereon are provided in the Annual Report.

**6. Dividend**

The Board of Directors have not recommended any dividend on the Share Capital of the Company for the financial year ended 31<sup>st</sup> March 2016 considering the loss during the year.

**7. Share Capital**

The Company's equity share capital as on 31<sup>st</sup> March, 2016 remained at Rs.1,377.32 crore divided into 137,73,17,895 fully

paid equity shares of Rs.10/- each. During the period under report, your company has not issued any Equity / ESOPs and / or Convertible Debentures.

The Company at its Extra Ordinary General Meeting held on 14<sup>th</sup> March, 2016, inter alia resolved to raise the authorized share capital of the Company from Rs.1,500 crore to Rs.4,000 crore. HSBC, the Security Agent for a Singapore based bank led consortium of lenders has filed a winding up petition in the Hon'ble High Court Bombay and further sought an injunction restricting the Company from carrying out the changes to the Memorandum Of Association (MOA) and Articles of Association (AOA), since the same was a pre-condition stipulated in the documents signed by the Company with HSBC and the lenders. The Company provided an Affidavit on 11th March, 2016 before the Court stating that none of the resolutions passed at the EOGM shall be implemented without the prior approval of HSBC.

In view of the above the increase in the authorized share capital of the Company has not been carried out.

**8. Loans/Finance**

During the year under report, your company has availed disbursement of term loan of Rs. 3,553.65 crores from various banks and repaid Rs. 2,809.40 crores of term loans. The Company also received export advance backed by Export Performance Bank Guarantee (EPBG) of Rs. 2,984.98 crore. The Company raised working capital and other short term loan of Rs. 3,120.27 crores (net) during the year. The total standalone debt as at 31<sup>st</sup> March, 2016 stood at Rs. 23,088.30 crores, including export advance.

**9. Credit Ratings**

Credit Rating Agency has suspended the ratings assigned to the bank facilities & NCDs issued by the Company.

**10. Operations:**

During the year, the overall operations of the Company were subdued due to shortage of working capital. The Company is in discussion with its working capital bankers for ramping up the

operations. The Steering Committee of the Joint Lenders Forum (JLF) have agreed to consider Rs. 120.00 crores as Priority loan for ramping up of operations and the same is expected to be sanctioned and released in next few months. With this infusion of Priority loan, the operations would be ramped up gradually.

## 11. Human Resources and Industrial Relations:

HR function is at the core of the Company and plays a major role in nurturing, enhancing and retaining talent through job satisfaction, management development programme, etc. The Company has an induction process and Goals/Deliverables are in place for employees based on which appraisals are done.

### Particulars of Employees and related disclosures

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules is to be annexed to this Report.

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during business hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure-E to this report.

## 12. Significant and Material Order Passed by the Regulator(s) or /Court(s)/Matter of Emphasis:

HSBC, the Security Agent for a Singapore based bank led consortium of lenders has filed a winding up petition in the Hon'ble High Court Bombay and further sought an injunction restricting the Company from carrying out the changes to the Memorandum Of Association (MOA) and Articles of Association (AOA), since the same was a pre-condition stipulated in the documents signed by the Company with HSBC and the lenders. In order to ensure that the Extra Ordinary General Meeting (EOGM) of the Company is allowed to be conducted smoothly on 14th March, 2016, the Company provided an Affidavit on 11th March, 2016 before the Court stating that none of the resolutions passed at the EOGM shall be implemented without the prior approval of the HSBC. The shareholders of the Company at the EOGM gave their approval for carrying out the Strategic Debt Restructuring (SDR) by the Lenders.

The Hon'ble High Court, has directed the Company to not carry out any changes in the MOA and AOA without obtaining prior written approval of the Court.

The Company subsequently filed an Affidavit in reply seeking the Court's approval to retract its statement regarding implementation of the resolutions passed in the EOGM as the same was given under coercion.

The Company is confident of getting a favorable order from the Hon'ble High Court. As on date this ongoing matter does not impact the going concern status of the Company.

## 13. Corporate Governance

The Company is committed to observe good corporate governance practices. The report on Corporate Governance for the financial year ended March 31, 2016, as per Clause 49 of

the Listing agreement and regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms a part of this Annual Report. The requisite Certificate from the Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance is annexed to this Report.

## 14. Deposits

During the year under review your Company has not accepted any fixed deposits from the public.

## 15. Vigil mechanism/ Whistle Blower Policy:

The Company has adopted a Whistle Blower policy, to provide a formal mechanism to the 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, Clause 49 of the Listing Agreement and Regulation 22 of the Listing Obligation and Disclosure Requirements, 2015. 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. It is affirmed that no personnel of the company has been denied access to the Audit Committee.

The Whistle Blower policy is displayed at the Company's website- [www.alokind.com](http://www.alokind.com).

## 16. Internal Financial Control:

The Board has adopted policies and procedures for ensuring orderly and efficient conduct of its business including adherence to the company's policies, safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

### (a) Risk Management

The Company had put in place an enterprise wide Risk Management framework. This holistic approach provides the assurance that, to the best of its capabilities, the Company identifies, assesses and mitigates risks that could materially impact its performance in achieving the stated objectives. The Audit and Risk committee ensures that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.

The Committee reviews strategic decisions of the Company and on regular basis, reviews the Company's portfolio of risks and considers it against the Company's Risk Appetite. The Committee also recommends changes to the Risk Management Technique and / or associated frameworks, processes and practices of the Company.

### (b) Nomination and Remuneration Committee:

The Board of Directors has, on the recommendation of the Nomination & Remuneration Committee, framed a policy which lays down a framework concerning remuneration of Directors, Key Management Personnel, and Senior Management of the Company. The Remuneration Policy is stated in the Corporate Governance Report.

### (c) Contracts and Arrangements with Related Parties

The Company undertakes various transactions with related parties in the ordinary course of business. The Company

has a Board approved policy on Related Party Transactions, which has been disclosed on the website of the Company and can be viewed at [www.alokind.com](http://www.alokind.com)

All related party transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and Listing agreement and the provisions of Section 185 and Section 188 of the Companies Act, 2013 are not attracted. Thus disclosure in Form AOC-2 is not required.

All related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted along with a statement giving details of all related party transactions is placed before the Audit Committee.

#### 17. Auditors' Report on Corporate Governance:

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors certificate on Corporate Governance is enclosed as Annexure to the Corporate Governance Report. The auditors certificate for year ended 31<sup>st</sup> March, 2016 does not contain any qualification, reservation or adverse remark.

#### 18. Directors

The composition of the Board and category of Directors are as follows:

Sr. No	Full Name	Designation
1	Mr. Ashok Bhagirathmal Jiwarajka	Executive Director
2	Mr. Dilip Bhagirathmal Jiwarajka	Managing Director
3	Mr. Surendra Bhagirathmal Jiwarajka	Joint Managing Director
4	Mr. Sunil Omprakash Khandelwal	Executive Director & CFO
5	Mr. K. H. Gopal	Executive Director & Secretary
6	Mr. Sudhir Garg	Nominee Director of IFCI Ltd.
7	Mr. Surinder Kumar Bhoan	Non-Executive Independent Director
8	Mr. Kamalkishore Jani	Additional Non- Executive Independent Director
9	Mr. Atanu Sen	Nominee Director of State Bank of India
10	Mr. Pradeep Kumar Rath	Nominee Director of LIC of India
11	Mr. Rajeev Kumar	Nominee Director of IDBI Bank Ltd.

#### Changes in the composition of the Board of Directors and other Key Managerial Personnel.

The Board of Directors through circulation appointed Mr. Kamal Kishore Jani as an Additional Non- Executive Independent Director and noted the appointment of Mr. Atanu Sen as the Nominee Director of State Bank of India, on the board both effective from 24<sup>th</sup> September, 2015. The brief resumes of Mr. Kamalkishore Jani and Mr. Atanu Sen are provided elsewhere in this Annual Report.

During the year Mr. Pradeep Kumar Rath was nominated on the Board of the Company by LIC of India effective from 14<sup>th</sup> October, 2015 in place of Mrs. Thankom Mathew. Mr. Rajeev Kumar was nominated by IDBI Bank Limited on the Board of the Company in place of Mrs. Lalita Sharma with effect from 28<sup>th</sup> December, 2015. The Board of Directors places on record their sincere appreciation for the services rendered by Mrs. Thankom Mathew and Mrs. Lalita Sharma during their tenure.

During the year Mr. Ashok Rajani and Mr. Timothy Ingram stepped down as the Directors of the Company, due to their other commitments, effective from 13<sup>th</sup> August, 2015 and 05<sup>th</sup> September, 2015 respectively. The Board of Directors places on record their sincere appreciation for the contribution and valuable service rendered by them during their tenure.

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, retire from office of Executive Director by rotation, render themselves ineligible for reappointment at the ensuing Annual General Meeting of the Company, pursuant to the provisions of Section 164(2) of the Companies Act 2013. They shall however be continuing in the service of the Company as Executive Director & CFO and Executive Director & Secretary respectively, in a functional capacity.

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. Kamal Kishore Jani in terms of the Listing Agreement, and meets the criteria of independence in terms of section 149 (6) of the Act, and is being considered for appointment as Independent Director of the Company under sections 149, 150 and 152 read with Schedule IV of the Act. The Company has received declarations from the above Director of the Company confirming that he meets 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 his appointment as Independent Director 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 the 29<sup>th</sup> Annual General Meeting.

#### 19. Meetings of the Board

Five Meetings of the Board of Directors were held during the year. For further details please refer the Corporate Governance Report forming part of the Annual Report.

#### 20. Board Evolution

Pursuant to the provision of the companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out an annual performance evaluation of its Independent Directors and the Independent Directors also evaluated the performance of the Chairman and other Non-Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.



## 21. Directors' Responsibility Statement

As required by Section 134(3)(C) of the Companies Act 2013, your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies 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 the Company as at March 31, 2016 and of the loss of the Company for the year ended 31 March, 2016 on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) 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.

## 22. Auditors

### (1) Statutory Auditors:

During the year under review, M/s Deloitte Haskins & Sells LLP- Chartered Accountants (Firm Registration no.117366W/ W-100018) stepped down as the Statutory Auditors of the Company, owing to the Company's inability to accede to their request for a substantial increase in their fees.

Subsequently, M/s. NBS & Co., Chartered Accountants, Mumbai (Firm Regn.No.110100W) and M/s. Shah Gupta & Co, Chartered Accountants, Mumbai (Firm Regn. No.109574W) were appointed as the Joint Statutory Auditors of the Company, to hold office till the conclusion of the ensuing Annual General Meeting (AGM).

### (2) Cost Auditor:

Pursuant to the provisions of section 148 read with section 141(3)(g) of the Companies Act, 2013, and subject to the approval of the Central Government, the Board of Directors at their meeting held on 28<sup>th</sup> 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.

### (3) Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Virendra G Bhatt, Practicing Company Secretary, as Secretarial Auditor, to conduct the Secretarial Audit of the Company for the financial year 2015-16. The Secretarial Audit Report is annexed

herewith as "MR-3". The Secretarial Audit Report contains remarks which have been addressed under the section Management's Opinion on the Comments/ remarks/ qualifications given by the Auditors in this report.

## 23. Corporate Social Responsibility (CSR) and CSR Committee

During the year under review, the Board constituted a Corporate Social Responsibility Committee (CSR Committee) consisting of three Directors, of which one is Independent Director. The CSR Committee at its meeting held on 28<sup>th</sup> May, 2015 recommended to the Board the CSR policy formulated by it, following which the policy document was approved by the Board. The composition, terms of reference etc. of the CSR Committee are laid out in the Corporate Governance Report which forms part of this Annual Report.

Further, the CSR policy of the Company has been uploaded on the Company's website [www.alokind.com](http://www.alokind.com).

In pursuance of the provisions of the Companies Act, 2013 and CSR Policy of the Company it is required to spend two percent of the average net profits of the Company for the three immediately preceding financial years i.e. Rs.13.05 Crore on CSR activities, during the year. However due to the unfavorable financial conditions, and the mounting losses the Company has not been able to meet this requirement..The Company has incurred losses amounting to Rs. 3,722.80 Crores during the financial year 2015-16, and it is facing a challenge in meeting its financial obligations. Hence the company is unable to spend any funds on CSR activities for the time being. The Company will incur the sum on CSR activities as soon as the financial position of the Company improves.

## 24. Statutory Information:

### Extract of Annual Return

Extract of Annual Return of the company is annexed herewith as Annexure B to this report.

### Transfer to investor's education and Protection fund:

Section 205A of the companies Act, 1956 (Section 124 of the Companies Act, 2013) mandates that Companies transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Accordingly during the year under review the Company has credited Rs.8,61,915 to the Investor Education and Protection Fund in respect of the Unpaid/ unclaimed dividend amount relating to the Final dividend declared in 2007-08.

The Company sends periodic communication to the concerned shareholders, advising them to lodge their claims with respect to unclaimed dividend. Shareholders are cautioned that once unclaimed dividend is transferred to the IEPF, no claim shall lie in respect thereof with the Company.

### Green Initiative by The Ministry Of Corporate Affairs

As a part of the Green initiative in corporate governance by the Ministry of Corporate Affairs (MCA) service of documents to Members can be now made by electronic mode on the email address provided for the purpose of communication. 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 the website of the Company (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 29<sup>th</sup> 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.

#### Results of Operations and the State of Company's Affairs:

No material changes and commitments have occurred after the close of the financial year till the date of this Report, which affect the financial position of the Company.

#### Employee Stock Option Plans

Details of the shares issued under Employee Stock Option Plan (ESOP), as also the disclosures in compliance with Section 62 of Companies Act, 2013 and Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and SEBI (Share Based Employee Benefits) Regulations, 2014 are set out in the Annexure D to this Report. No employee has been issued share options during the year.

The excess of market value, if any, of the stock options as on the date of grant over the exercise price of the options is recognized as deferred employee compensation and is charged to the profit and loss account on vesting basis over the vesting period of the options. The un-amortized portion of the deferred employee compensation is reduced from Employee Stock Option Outstanding, which is shown under Reserves and Surplus.

#### 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, 2016 are annexed hereto as Annexure-A.

### 25. Management's Opinion on the Emphasis of matters / notes given by the Auditors:

- a. The Emphasis of Matters highlighted by the Statutory Auditors in their Report on the Standalone Financial Statements are self-explanatory and call for no comments from the management. In their Report on the Consolidated Financial Statements, the Statutory Auditors have stated that the basis for their qualified opinion is that the consolidated financial statements include the unaudited financial statements of nine subsidiaries and one jointly controlled entity. The management is of the opinion that this situation was unavoidable and in any event the audited financial statements of these entities are not going to be in any manner different from the unaudited versions.

### b. Non Repayment of interest /principal amount to Debenture Holders for more than 1 year:

The Company is yet to pay the debenture interest payment due for a period beyond one year as at the Balance sheet date. This attracts the provisions of Section 164 (2) of the Companies Act, 2013 as per which all directors retiring by rotation at the ensuing Annual General Meeting and eligible for reappointment render themselves ineligible for such reappointment. Further, Section 167 of the said Act appears ambiguous regarding the vacation of the Board, if and when such a contravention continues. The Company is informed that the Company Law Committee appointed by the Government of India has already recommended appropriate amendments to Section 167 to remove the apparent ambiguity. The Company is further informed that the recommendation has been incorporated in the Companies (Amendment) Bill, 2016 which has been introduced in the Lok Sabha for discussion and is pending for confirmation.

### c. Appointment of a Woman Director and Independent Directors on Board of the Company:

Your Company is constantly searching for a competent Woman Director and Independent Directors in order to strengthen the Board in line with the provisions of the Companies Act, 2013 and Listing Obligation and Disclosure Requirements, Rules 2015. It has been challenging to attract people on the Board in view of the fact that the performance of the Company during the period was sub-optimal. The Management is however confident of appointing a Woman Director and Independent Directors in the coming year.

### 26. Erosion of Net Worth

With accumulated losses of Rs. 3,722.80 crores at the end of the financial year, resulting in erosion of over 50% of peak net worth during the immediately preceding four financial years, we regret to inform that your Company has become a "Potential Sick Company" within the meaning of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA).

The Board at its meeting held on 30th May 2016 has reviewed the causes for such erosion and the prime reason amongst others which adversely affected the performance of the Company was the difficult economic conditions resulting in delays in realization of debtors, pile-up of inventory, rising interest costs and bunching of repayments leading to a tight liquidity position. This was compounded by lack of additional working capital facilities which resulted in lower capacity utilization and lower cash flow generation.

The Board after considering the various steps implemented and/or to be undertaken for improvement of performance of the Company is confident/optimistic that the Company would be able to implement effective measures in normal course of business to revive the operations of the Company. Accordingly, the financial statements for the Financial Year 2015-16 has been prepared on a going concern basis.

In terms of the requirement of SICA, the Company shall also make a reference to the Board for Industrial and Financial Reconstruction (BIFR) the fact of erosion within the stipulated time period.

# FAITH FOCUS COMMITMENT

29<sup>th</sup> Annual Report | 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016

## 27. 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 year 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 the employees of the Company under any scheme.
4. No fraud has been reported by the Auditors to the Audit Committee or the Board.
5. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.

### Disclosures under the Companies Act 2013 and Listing Regulations

- (1) Composition of Audit Committee has been disclosed in the Corporate Governance Report annexed to this report
- (2) Policy on Sexual Harassment of Women at Workplace.

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder.

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.

- (3) Familiarisation Programme for Independent Directors:

In compliance with the requirements of SEBI Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights

and responsibility as Directors, the working of the Company, nature of the industry in which the company operates, business model etc. The details of the familiarization programme are explained in the Corporate Governance Report. The same is also available on the website of the Company [www.alokind.com](http://www.alokind.com).

- (4) Particulars of Loans / Guarantees and Investments and Securities provided by the Company

Details of Loans, Guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013 are given in the Financial Statements.

## 28. Acknowledgements

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to provide higher levels of consumer delight through continuous improvement in existing products and introduction of new products.

The Board places on record its appreciation for the support and co-operation, your Company has been receiving from its suppliers, redistribution stockiest, retailers, business partners and others associated with the Company as its trading partners. It will be the Company's endeavour to build and nurture strong links with the trade based on mutuality of benefits, respect for and cooperation with each other, consistent with consumer interests.

The Directors also take this opportunity to thank all Investors, Clients, Vendors, Banks, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

For and on behalf of the Board

**Dilip D. Jiwrajka**  
Managing Director

**Surendra B. Jiwrajka**  
Joint Managing Director

Place: Mumbai

Dated: 30th May, 2016

# ANNEXURE-A

## (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. Rain water harvesting for bore wells;
2. Installation of additional capacitors for further improvement in power;
3. Installation of Voltage Stabilizer in lighting circuit to reduce in power consumption;
4. Installation of LED Tubelights in Head office and plants;
5. Regular checking and repairing of water leakages for reduction in energy consumption;
6. Energy audits are being conducted periodically;
7. Load on air-conditioning plant reduced by introducing special methods;
8. Increase in temperature of feed water for saving on coal consumption in boilers;
9. Replaced inefficient motors with energy efficient motors;
10. Caustic handling system has been installed on process machines;
11. Employees have been trained in energy conservation measures;
12. Shades were covered by installing Natural ventilation equipment;
13. Heat recovery from CRP hot water to boiler feed;
14. Made use of waste water generated by cooling coil moisture;
15. Trimming of impellers to save on power consumption in chilled water pumps

## (B) TECHNOLOGY ABSORPTION

1. Special measures taken to reduce the load on air-conditioning plant.
2. Applying appropriate voltage to lighting circuits.
3. Natural ventilation equipment installed on the shades to conserve energy.
4. Optimum choice of power factor improvement capacitors for improvement in power factor.
5. Replacement of fixed speed compressors with Variable speed compressors.
6. Use of inherent fire retardant fibres for making inherent Fabrics.
7. Caustic handling system on process machines installed.
8. Reduction of maximum demand by even distribution of daily load and through increased efficiency of plants..

## (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

## (D) 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.

(₹ Crore)

Plant Location	Capital	Recurring	Total
Silvassa	2.18	8.06	10.24

**ANNEXURE-B****FORM NO. MGT-9**

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2016

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]***1. REGISTRATION AND OTHER DETAILS:**

<b>CIN</b>	<b>L17110DN1986PLC000334</b>
Registration Date	12 <sup>th</sup> March, 1986
Name of the Company	ALOK INDUSTRIES LIMITED
Category	COMPANY LIMITED BY SHARES
Sub-Category of the Company	INDIAN NON-GOVERNMENT COMPANY
Address of the Registered office and contact details	17/5/1, 521/1, VILLAGE RAKHOLI/SAILY, SILVASSA, UNION TERRITORY OF DADRA & NAGAR HAVELI
Whether listed company	YES
Name, Address and Contact details of Registrar and Transfer Agent, if any	LINK INTIME INDIA PRIVATE LIMITED C-13, PANNALAL SILK MILLS COMPOUND, L B S MARG, BHANDUP WEST

**2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company are stated below:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing of Textile, leather and other apparel products	260	100

**3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	Alok Infrastructure Limited	U45201MH2006PLC164267	Subsidiary	98.8	2(87)
2.	Alok Singapore Pte Limited	Incorporated in Singapore	Subsidiary	100	2(87)
3.	Alok International Inc	Incorporated in India	Subsidiary	100	2(87)
4.	Alok Worldwide Limited		Subsidiary	100	2(87)
5.	Alok International (Middle East) FZE	Incorporated in Dubai	Subsidiary	100	2(87)
6.	Alok Global Singapore Pte Ltd	Incorporated in Singapore	Subsidiary	100	2(87)
7.	Alok Merchant Singapore Pte Ltd	Incorporated in Singapore	Subsidiary	100	2(87)
8.	Alok Trading Singapore Pte Ltd	Incorporated in Singapore	Subsidiary	100	2(87)
9.	Alok Universal Singapore Pte Ltd	Incorporated in Singapore	Subsidiary	100	2(87)
10.	Alok Global Trading (Middle East) FZE	Incorporated in Dubai	Subsidiary	100	2(87)
11.	New City of Bombay Manufacturing Mills Limited	U17291MH2007GOI195493	Joint Venture	49	2(6)
12.	Aurangabad Textiles and Apparel Parks Limited	U17121MH2007GOI195403	Joint Venture	49	2(6)
13.	Ashford Infotech Private Limited	U45204MH2007PTC172817	Associate	50%	2(6)
14.	Alspun Infrastructure Limited	U45200MH2007PLC169738	Associate	50%	2(6)

**4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (as on 31.03.2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
1) Indian									
a) Individual/ HUF	110,048,897	-	110,048,897	7.99	110,048,897	-	110,048,897	7.99	0
b) CentralGovt	-	-	-	0	-	-	-	0	0

# STATUTORY SECTION

## Directors' Report



Category of Shareholders	No. of Shares held at the beginning of the year (as on 31.03.2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) State Govt(s)	-	-	-	0	-	-	-	0	0
d) Bodies Corp	396,259,511	-	396,259,511	28.77	380,441,646	-	380,441,646	27.62	-1.15
e) Banks / FI	-	-	-	0	-	-	-	0	0
f) Any Other-Trusts	19,459,382	-	19,459,382	1.41	19,459,382	-	19,459,382	1.41	0
<b>Sub-total (A)(1):-</b>	<b>525,767,790</b>	<b>-</b>	<b>525,767,790</b>	<b>38.17</b>	<b>509,949,925</b>	<b>-</b>	<b>509,949,925</b>	<b>37.025</b>	<b>-1.145</b>
2) Foreign									
g) NRIs-Individuals	-	-	-	0	-	-	-	0	0
h) Other-Individuals	-	-	-	0	-	-	-	0	0
i) Bodies Corp.	-	-	-	0	-	-	-	0	0
j) Banks / FI	-	-	-	0	-	-	-	0	0
k) Any Other....	-	-	-	0	-	-	-	0	0
<b>Subtotal(A)(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	12,632	200	12,832	0	12,630	200	12,830	0	0
b) Banks / FI	113,518,814	100	113,518,914	8.24	91,513,915	100	91,514,015	6.64	-1.6
c) Central Govt	-	-	-	0	-	-	-	0	0
d) State Govt(s)	-	-	-	0	-	-	-	0	0
e) Venture Capital Funds	-	-	-	0	-	-	-	0	0
f) Insurance Companies	-	-	-	0	-	-	-	0	0
g) FIs	84,825,563	-	84,825,563	6.16	35,061,199	-	35,061,199	2.54	-3.62
h) Foreign Venture Capital Funds	-	-	-	0	-	-	-	0	0
i) Others :-									
Foreign Portfolio Investors	-	-	-	0	43,561,355	-	43,561,355	3.16	3.16
<b>Sub-total(B)(1)</b>	<b>198,357,009</b>	<b>300</b>	<b>198,357,309</b>	<b>14.4</b>	<b>170,149,099</b>	<b>300</b>	<b>170,149,399</b>	<b>12.35</b>	<b>-2.05</b>
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	175,822,771	219,400	176,042,171	12.78	113,934,748	19,400	113,954,148	8.27	-4.51
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	167,249,116	2,416,419	169,665,535	12.32	262,833,006	2,468,775	265,301,781	19.26	6.94
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	261,798,478	136,195	261,934,673	19.02	252,542,689	95,000	252,637,689	18.34	-0.68
c) Others	-	-	-	-	-	-	-	-	-
(i) Clearing Member	14,766,290	-	14,766,290	1.07	12,814,480	-	12,814,480	0.93	-0.14
(ii) Market Member	2,238,862	-	2,238,862	0.16	1,698,420	-	1,698,420	0.12	-0.04
(iii) Non-Resident Indian (Repat)	21,667,082	23,200	21,690,282	1.57	22,928,764	8,200	22,936,964	1.66	0.09
(iv) Non-Resident Indians (Non-Repat)	3,664,139	-	3,664,139	0.27	3,369,516	-	3,369,516	0.24	-0.03
(v) Foreign Companies	916,869	-	916,869	0.07	-	-	-	0	0
(vi) Overseas bodies corporate	-	-	-	0	-	-	-	0	0
(vii) Trusts	2,273,975	-	2,273,975	0.17	13,500	-	13,500	0	-0.17
(viii) HUF	-	-	-	0	24,491,473	600	24,492,073	1.77	1.77
<b>Sub-total(B)(2)</b>	<b>650,397,582</b>	<b>2,795,214</b>	<b>653,192,796</b>	<b>47.02</b>	<b>694,626,596</b>	<b>2,591,975</b>	<b>697,218,571</b>	<b>50.62</b>	<b>3.23</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>848,754,591</b>	<b>2,795,514</b>	<b>851,550,105</b>	<b>61.83</b>	<b>864,775,695</b>	<b>2,592,275</b>	<b>867,367,970</b>	<b>62.97</b>	<b>1.14</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0	-	-	-	0	0
<b>Grand Total (A+B+C)</b>	<b>1,374,522,381</b>	<b>2,795,514</b>	<b>1,377,317,895</b>	<b>100</b>	<b>1,374,725,620</b>	<b>2,592,275</b>	<b>1,377,317,895</b>	<b>100</b>	<b>0</b>

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## ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (As on 31-03-2015)			Shareholding at the end of the year (as on 31-03-2016)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Ashok B Jiwrajka	34,966,473	2.54	100.00	34,966,473	2.53	100.00	0
2	Dilip B Jiwrajka	34,405,471	2.50	99.99	34,405,471	2.49	76.09	0
3	Surendra B Jiwrajka	35,839,871	2.60	100.00	35,839,871	2.60	100.00	0
4	Chandrakala A Jiwrajka	859,237	0.06	99.70	859,237	0.06	99.70	0
5	Pramila D Jiwrajka	2,061,605	0.15	99.90	2,061,605	0.14	99.90	0
6	Geeta S Jiwrajka	748,441	0.05	100.00	748,441	0.05	100.00	0
7	Vinod Jiwrajka	1,163,633	0.08	-	1,163,633	0.08	-	0
8	Alok A Jiwrajka	4,166	-	-	4,166	-	-	0
9	Dilip B Jiwrajka, J1, Sunil O Khandelwal*	1,900,000	0.14	100.00	1,900,000	0.13	100.00	0
10	Surendra B Jiwrajka,, J1 K.H.Gopal*	17,559,382	1.27	100.00	17,559,382	1.27	100.00	0
11	Ashok Realtors Private Ltd	639,320	0.05	100.00	639,320	0.04	100.00	0
12	Alok Knit Exports Private Limited**	395,620,191	28.72	99.98	379,802,326	27.57	94.65	
	<b>Total</b>	<b>525,767,790</b>	<b>38.17</b>	<b>99.76</b>	<b>509,949,925</b>	<b>37.02</b>	<b>94.17</b>	

\* Trustees on Behalf of alok Benefit trust.

\*\* Out of 379802326 shares held by AKEL, the beneficial owners of 844500 shares are Santosh Jiwrajka (28,500 Shares) and Mrs. Kiran Jiwrajka (28,500 shares) and Belisev fashion Establishments (78,500 Shares)

## iii. Change in Promoters' Shareholding

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Ashok B Jiwrajka</b>				
	At the beginning of the year	34,966,473	2.54	34,966,473	2.54
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	34,966,473	2.53	34,966,473	2.53
2	<b>Dilip B Jiwrajka</b>				
	At the beginning of the year	34,405,471	2.50	34,405,471	2.50
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	34,405,471	2.49	34,405,471	2.49
3	<b>Surendra B Jiwrajka</b>				
	At the beginning of the year	35,839,871	2.60	35,839,871	2.60
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	35,839,871	2.60	35,839,871	2.60



Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	<b>Chandrakala A Jiwrajka</b>				
	At the beginning of the year	859,237	0.06	859,237	0.06
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	859,237	0.06	859,237	0.06
5	<b>Pramila D Jiwrajka</b>				
	At the beginning of the year	2,061,605	0.15	2,061,605	0.15
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	2,061,605	0.14	2,061,605	0.14
6	<b>Geeta S Jiwrajka</b>				
	At the beginning of the year	748,441	0.05	748,441	0.05
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	748,441	0.05	748,441	0.05
7	<b>Vinod Jivrajka</b>				
	At the beginning of the year	1,163,633	0.08	1,163,633	0.08
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	1,163,633	0.08	1,163,633	0.08
8	<b>Alok A Jiwrajka</b>				
	At the beginning of the year	4,166	0.00	4,166	0.00
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	4,166	0.00	4,166	0.00
9	<b>Dilip B Jiwrajka, J1 Sunil O Khandelwal*</b>				
	At the beginning of the year	1,900,000	0.14	1,900,000	0.13
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	1,900,000	0.14	1,900,000	0.13
10	<b>Surendra B Jiwrajka, J1 K.H.Gopal</b>				
	At the beginning of the year	17,559,382	1.27	17,559,382	1.27
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	17,559,382	1.27	17,559,382	1.27

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Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11	<b>Ashok Realtors Private Limited</b>				
	At the beginning of the year	639,320	0.05	639,320	0.04
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	639,320	0.05	639,320	0.04
12	<b>Alok Knit Exports Private Limited**</b>				
	At the beginning of the year	395,620,191	28.72		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	15,817,865	1.15	15,817,865	1.15
	At the End of the year	379,802,326	27.57	379,802,326	27.57

## iv. Shareholding Pattern of Top Ten Shareholders (other than Directors and Promoters)

Sr. No	Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
	<b>For each of the top 10 shareholders</b>				
1	Life Insurance Corporation of India	35,164,136	2.55	35,164,136	2.55
2	India Opportunities Growth Fund Ltd- Pinewood Strategy	28,491,426	2.07	27,791,298	2.02
3	ECL Finance Limited	22,642,893	1.64	22,642,893	1.64
4	IFCI Limited	18,760,723	1.36	18,760,723	1.36
5	IDBI Bank Limited	17,888,161	1.30	17,888,161	1.30
6	Axis Bank Limited	13,296,650	0.97	2,282,798	0.16
7	Dimensional Emerging Markets Value Fund	12,334,560	0.90	11,757,318	0.85
8	IL&FS Trust Company Limited A/c IL&FS Private Equity Trust -Leverage India Fund	9,955,642	0.72	9,955,642	0.72
9	MV SCIF Mauritius	9,207,282	0.67	-	-
10	United India Insurance Company Limited	7,610,690	0.55	7,610,690	0.55
11	Santosh Keshav Pai	4,467,324	0.32	7,237,124	0.53
12	Swapna Tandon	-	-	6,486,772	0.47
13	Emerging India Focus Funds	3,393,000	0.24	5,945,051	0.43

## v. Shareholding of Directors and Key Managerial Personnel

Sr. No	Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
	<b>For each of the top 10 shareholders</b>				
1.	Ashok B Jiwrajka	34,966,473	2.50	34,966,473	2.53
2.	Dilip B Jiwrajka	34,405,471	2.50	34,405,471	2.49
3.	Surendra B Jiwrajka	35,839,871	2.60	35,839,871	2.60
4.	Sunil O Khandelwal	0	0	0	0
5.	K.H.Gopal	0	0	0	0

## 5 INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2015)</b>				
i) Principal Amount	15,163.83	182.84	-	15,346.66
ii) Interest due but not paid	192.63	0.40	-	193.03
iii) Interest accrued but not	42.20	-	-	42.20
<b>Total(i+ii+iii)</b>	<b>15,398.66</b>	<b>183.24</b>	<b>-</b>	<b>15,581.90</b>
<b>Change in Indebtedness during the financial year (2015-16)</b>				
- Addition	8,052.08	491.49	-	8,543.57
- Reduction	2,999.61	123.25	-	3,122.86
Net Change	5,052.47	368.24	-	5,420.71
<b>Indebtedness at the end of the Financial year (31.03.2016)</b>				
i) Principal Amount	19,569.16	534.17	-	20,103.33
ii) Interest due but not paid	818.20	17.31	-	835.51
iii) Interest accrued but not due	63.77		-	63.77
<b>Total (i+ii+iii)</b>	<b>20,451.13</b>	<b>551.48</b>	<b>-</b>	<b>21,002.61</b>

## 6 REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager (Rs in crore)

Sl. No.	Particulars of Remuneration	Name			Total Amount
		Executive Director	Managing Director	Joint Managing Director	
		Ashok B Jiwrajka	Dilip B Jiwrajka	Surendra B Jiwrajka	
	Gross salary				
	(a)Salary as per provisions contained in section17(1) of the Income-tax Act,1961	1.47	1.47	1.47	4.41
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	-	-	-	-
	(c)Profits in lieu of salary under section17(3) Income- tax Act,1961	-	-	-	-
	Stock Option	0	0	0	0
	Sweat Equity	0	0	0	0
	Commission - as % of profit - others, specify...	0	0	0	0
	Others, please specify	0	0	0	0
	<b>Total (A)</b>	<b>1.47</b>	<b>1.47</b>	<b>1.47</b>	<b>4.41</b>
	Ceiling as per the Act				

### B. Remuneration to other directors:

Sr. No	Particulars of Remuneration	Name of Directors				Total Amount
		Ashok Rajani*	Timothy Ingram*	Kamalkishore Jani	Surinder Kumar Bhoan	
1	<u>Independent Directors</u>					
	Fee for attending board committee meetings	20,000	-	60,000	1,00,000	1,80,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total(1)</b>	<b>20,000</b>	<b>-</b>	<b>60,000</b>	<b>1,00,000</b>	<b>1,80,000</b>

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		Thankom Mathew*	Lalita Sharma*	Sudhir Garg	Atanu Sen	Pradeep Kumar Rath	Rajeev Kumar	Total
2	<u>Other Non- Executive Director</u>							
	Fee for attending board committee meetings	40,000	20,000	80,000	60,000	40,000	40,000	2,80,000
	Commission	-	-	-	-	-	-	-
	Others Specify	-	-	-	-	-	-	-
	Total(2)	40,000	20,000	80,000	60,000	40,000	40,000	2,80,000
	<b>Total (B)= (1+2)(in lakh)</b>	<b>4.60</b>						
	Total Managerial Remuneration (Rs in crore) (A+ B)	4.45						
	Overall Ceiling as per the Act							

Note:

1. Mr. Ashok G. Rajani, has voluntarily stepped down from the Board due to his other commitments w.e.f August 13, 2015.
2. Mr. Timothy Ingram, has voluntarily stepped down from the Board due to his other commitments w.e.f September 5, 2015.
3. Nomination of Mrs. Thankom T Mathew was withdrawn by Life Insurance Corporation of India w.e.f October 14, 2015 and in his place Mr. Pradeep Kumar Rath was appointed.
4. Nomination of Mrs. Lalita Sharma was withdrawn by IDBI Bank Limited w.e.f December 28, 2015 and in her place Mr. Rajeev Kumar was appointed.
5. Mr. Kamalkishore Jani was appointed as an Additional Non- executive Independent Director for a period of 5 years effective from w.e.f. September 24, 2015.
6. Mr. Atanu Sen was nominated by State Bank of India w.e.f September 24, 2015.

## C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD

(Rs in crore)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary ( K H Gopal)	CFO (Sunil O Khandelwal)	Total
	Gross salary			
	(a)Salary as per provisions contained in section17(1) of the Income-tax Act,1961	1.18	1.22	2.41
	(b)Value of perquisites u/s 17 (2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
	Stock Option	0	0	0
	Sweat Equity	0	0	0
	Commission - as % of profit - others, specify...	0	0	0
	Others, please specify	-	-	-
	<b>Total</b>	<b>1.18</b>	<b>1.22</b>	<b>2.41</b>

## STATUTORY SECTION

### Directors' Report



#### 7 PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ Court]	Appeal made. If any (give details)
<b>A. Company</b> Penalty Punishment Compounding					
<b>B. Directors</b> Penalty Punishment Compounding			NIL		
<b>C. Other Officers In Default</b> Penalty Punishment Compounding					

**ANNEXURE-C****FORM "A"**

Form For disclosure of particulars with respect to conservation of energy

**POWER & FUEL COSUMPATION FOR THE YEAR ENDED 31.03.2016**

		2015-16	2014-15
<b>A)</b>	<b>POWER &amp; FUEL COSUMPATION</b>		
<b>1)</b>	<b>Electricity Purchased</b>		
	Units:	648,692,964	940,080,365
	Total amount (Rs. In crores )	276.15	459.67
	Average Rate/Unit (Rs.)	4.26	4.89
<b>2)</b>	<b>Own Generation through Diesel Generator Set</b>		
	Units:	274,999	402,161
	Total amount (Rs. in crores)	0.47	0.80
	Average Rate/Unit (Rs.)	16.98	19.98
<b>3)a)</b>	<b>Furnace Oil consumed</b>		
	Total amount (Rs. in crores)	51.85	61.45
<b>b)</b>	<b>Natural Gas consumed</b>		
	Total amount (Rs. in crores)	2.25	86.56
<b>c)</b>	<b>Coal consumed</b>		
	Total amount (Rs.in Crores)	54.02	102.55
<b>d)</b>	<b>Deisel Consumed</b>		
	Total amount (Rs.in Crores)	0.58	1.30
<b>e)</b>	<b>Electricity Duty Paid</b>	-	1.73
	<b>Total</b>	<b>385.32</b>	<b>714.06</b>
<b>B)</b>	<b>Consumption per unit of production</b>		
a)	Yarn (Kgs)	123,560,058.75	138,146,467.09
	Units consumed (per kgs)	0.99	1.13
b)	Fabric Knits (Kgs)	3,462,345.54	11,425,745.65
	Units consumed (per kgs)	0.83	0.52
c)	Fabric Woven (Mtrs)	869,715,367.52	1,336,371,409.46
	Units consumed (per mtrs)	0.11	0.13
d)	Processing Woven (Mtrs)	67,031,197.82	171,935,342.43
	Units consumed (per mtrs)	0.35	0.29
e)	Processing Knits (kgs)	4,160,070.67	9,912,417.99
	Units consumed (per kgs)	1.77	1.41
f)	Garments (Pcs)	1,917,018.00	7,612,162.00
	Units consumed (per pcs)	0.78	0.42
g)	Madeups (Sets/pcs)	4,005,688.00	6,208,000.00
	Units consumed (per sets/pcs)	0.33	0.50
h)	Poy (Kgs)	134,304,671.83	156,651,663.40
	Units consumed (per kgs)	0.36	0.38
i)	Spinning (Kgs)	41,005,713.93	58,446,667.80
	Units consumed (per kgs)	5.53	4.98
j)	Handkerchief (Pcs)	9,215,395.00	16,072,692.00
	Units consumed (per pcs)	0.04	0.03
k)	Chips (kgs)	193,876,535.50	220,379,436.84
	Units consumed (per kgs)	0.16	0.18
l)	FDY (Kgs)	44,162,226.93	41,575,139.15
	Units consumed (per kgs)	0.99	1.19
m)	Packing Material (pcs)	17,849,562.00	30,972,938.00



## STATUTORY SECTION

### Directors' Report



		2015-16	2014-15
	Units consumed (per pcs)	0.06	0.06
n)	Embroidary Fabric (Mtrs)	13,902,599.76	26,851,742.10
	Units consumed (per mtrs)	0.67	0.58
o)	Polyester Staple Fiber (Kgs)	21,940,176.05	28,610,446.75
	Units consumed (per kgs)	0.36	0.42
p)	Yarn Dyed (Kgs)	1,865,572.79	5,762,324.92
	Units consumed (per kgs)	2.25	1.68
q)	Terry Towel (kgs)	4,273,442.20	11,782,538.63
	Units consumed (per kgs)	5.49	4.43
<b>C)</b>	<b>Foreign Exchange Earnings &amp; Outgo</b>		
1)	<b>Total Earnings of Foreign Exchnage</b>		
	FOB value of Export	1,126.42	3,513.82
	<b>Total</b>	<b>1,126.42</b>	<b>3,513.82</b>
2)	<b>Total Outgo in Foreign Exchange</b>		
	Commission on sales	6.44	230.24
	Interest on term loan	134.71	186.67
	Legal and professional fees	1.18	1.85
	Sales promotion expenses	13.66	3.54
	Bank charges	3.13	5.77
	Miscellaneous expenses	4.03	11.75
	<b>Total</b>	<b>163.15</b>	<b>439.82</b>

# ANNEXURE-D

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

	Particulars	Details
		Grant 3
A)	<b>Details related to ESOS</b>	
i) (a)	Date of shareholders' approval	15th April, 2010
(b)	Total number of options approved under ESOS	25,000,000
c)	Vesting requirements	As per Alok ESOS 2010 Remuneration Committee has specified vesting Scheduel in respect of each Grant. Vesting of option may be in one or more tranches. vesting sechdule is extend upto five years.
(d)	Exercise Price or Pricimz formula	<b>Rs.10/-</b>
(e)	Maximum term of options granted	Two Years from the date of Vest
(f)	Source of shares (primary .secondary or combination)	Primary
(g)	Variation in terms of options	NA
(II)	Method of calculation of employee compensation cost	Calculation is based on intrinsic value method
(iii) (a)	Difference between the above and employee compensation cost that shall have been recognized if it had used the fair value of the options	The charge of employee compensation cost on account of employee stock options would have been higher by Rs 36,63,842/- in case Company had followed Fair value method instead of Intrinsic value method
(b)	Impact of this difference on Profits and on EPS of the Company	Profits would have been lower by Rs 36,63,842/- and EPS would have been lower by Rs.(negligible), had the Company used fair value method of accounting the options issued under ESOS
(iv)	<b>Option Movement during the Year (Apr 2015 to Mar 2016)</b>	
	Number of options outstanding at the beginning of the period	19,129,600
	Number of options granted during the year	Nil
	Number of options forfeited /lapsed during the year	2013100
	Number of options vested during the year	Nil
	Number of options exercised during the year	Nil
	Number of shares arising as a result of exercise of options	Nil
	Money realized by exercise of options (INRI. if scheme is implemented directly)	NIL
	Loan repaid by the Trust during the year from exercise price received	NA
	Number of options outstanding at the end of the year	17116500
	Number of options exercisable at the end of the year	17116500
v) (a)	Weighted average exercise price	Rs. 10/-
(b)	Weighted average fair value of options based	Rs. 1.82/-
	<b>Employee wise details of option granted to during the year</b>	
	senior mangement personnel	Nil
	Employees to whom more than 5% option granted during the year	Nil
	A decription of the method and sigicant assumptions used to estimate fair value of option including weighted average	

## STATUTORY SECTION

### Directors' Report



	Particulars	Details
(a) 1	weighted average exercise price	Rs. 10.00/-
2	Risk free interest rate	8.70%
3	Expected Life	Average life taken as 1 year from date of grant(vest)
4	Expected volatility	42%
5	Expected dividends	Not Separately included,Factored in volatility working
(b)	method used and the assumptions made to incorporate the effects of expected early exercise.	Black scholes Methodology is used for calculation of weighted average exercise price and it is assumed that exercise of option will take place within 1 year from the date
©	How Expected volatility was determined , including an explanation of the extent to which expected volatility was based on historical volatility	Expected volatility was determined on the basis of 52 weeks market price of share of the company.
(B)	diluted EPS,Pursuant to issue of shares on exercise of options	Amount of diluted EPS is Rs (negligible)

# ANNEXURE-E

## DETAILS OF THE REMUNERATION OF DIRECTORS, KMP AND EMPLOYEES

(Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014)

	Particulars		Status		
i)	The remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2015-16 are as under:	<b>Name of Director/KMP and Designation</b>	<b>Remuneration of Director/ KMP for the Financial Year 2015-16(Rs. in lacs)</b>	<b>% increase in Remuneration on the Financial Year 2015-16</b>	<b>Ratio of remuneration of each Director to median remuneration of employees</b>
		Ashok B Jiwrajka	147.00	(18.33%)	97.83
		Dilip B Jiwrajka	147.00	(18.33%)	97.83
		Surendra B Jiwrajka	147.00	(18.33%)	97.83
		Sunil O Khandelwal	122.54	0.00%	81.55
		K.H.Gopal	118.93	0.00%	79.15
ii)	The median remuneration of employees in the financial year	The median remuneration of the employees of the Company during the Financial year was Rs. 64.46 lacs. In the financial year 2015-16, there was no raise in the remuneration of the median employees.			
iii)	The number of permanent employees on the rolls of the company	There were 11978 number of permanent employees on the rolls of the Company as on 31 <sup>st</sup> March, 2016.			
iv)	The explanation on the relationship between average increase in remuneration and company's performance	The increase in remuneration is linked to the performance of the employees and other factors like industry trends and economic environment.			
v)	Variation in market Capitalization of the Company	The market capitalization as on 31 <sup>st</sup> March, 2016 was Rs.622.54 crore (Rs.1019.21 Crore as on 31 <sup>st</sup> March, 2015)			
vi)	Price Earning ratio of the Company as at March 31, 2016 and as at March 31, 2015	Price Earnings ratio of the Company was (0.15) as on 31 <sup>st</sup> March, 2016 and 3.95 as on 31 <sup>st</sup> March, 2015.			
vii)	Percent increase over/ decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year.	The Company had come out with initial public offer (IPO) in 1993.The market capitalization as on 31 <sup>st</sup> March, 2016 was Rs.622.54 crore and the closing price of the share at NSE on 31 <sup>st</sup> March, 2016 was Rs.4.52 per equity share of the face value of Rs.10/- each. The Company's shares are listed on BSE Ltd. And National Stock Exchange of India Ltd.			
viii)	Average percentile increase made in salaries of employees other than the Key Managerial Personnel and other Employees	There was no exceptional circumstances for increase in managerial remuneration as managerial and non-managerial levels were provided with similar increases.			
ix)	The ratio of remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	There are no such cases wherein an employee was paid remuneration in excess of the highest paid director.			
x)	It is hereby affirmed that the remuneration is as per the remuneration policy of the Company.				
xi)	The key parameter for any variable component of remuneration availed by the Directors: Not Applicable.				

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016**

[Pursuant to section 204(1) of the companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To,**

**The Members,**

**ALOK INDUSTRIES LIMITED**

I have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ALOK INDUSTRIES LIMITED (Herein after referred to as "the Company"). Secretarial Audit was conducted in a manner that provides me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 has prima facie complied with the statutory provisions listed hereunder:

I have examined the books, papers, minutes' books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - Not Applicable during the audit period;
- (v) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company for the financial year ended 31<sup>st</sup> March, 2016:-
    - (a) The Securities And Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
    - (c) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008;
    - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
    - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The following laws applicable to the company :-
  - (a) The Payment of Wages Act, 1936
  - (b) The Minimum Wages Act, 1948
  - (c) The Employees State Insurance Act, 1948
  - (d) The Employees Provident Fund and Miscellaneous Provisions Act, 1952
  - (e) The Payment Of Bonus Act, 1965
  - (f) The Payment of Gratuity Act, 1972
  - (g) The Maternity Benefit Act, 1961
  - (h) The Maharashtra Shop and Establishments Act, 1948
  - (i) The Industrial Employment (Standing Orders) Act, 1946
  - (j) The Apprentices Act, 1961

# FAITH FOCUS COMMITMENT

29<sup>th</sup> Annual Report | 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016

- (k) The Employees' Compensation Act, 1923
  - (l) The Maharashtra Industrial Relations Act
  - (m) The Factories Act, 1948
  - (n) The Contract Labour (Regulation and Abolition) Act, 1970
  - (o) The Maharashtra Mathadi, Hamal and Other Manual Workers (Regulation of Employment and Welfare) Act, 1969
  - (p) The Child Labour (Prohibition and Regulation) Act, 1986
  - (q) The Industrial Disputes Act, 1947
  - (r) The Maharashtra Workmen's Minimum House-Rent Allowance Act, 1983
  - (s) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- (vii) I have also examined compliance with the applicable clauses of the following:
- (a) The Listing Agreements & SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 entered into by the Company with the stock exchanges viz., BSE Limited and National Stock Exchange Limited;
  - (b) *The company has prima facie complied with Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India.*  
During the period under review the Company has prima facie complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

I further report that:

- (a) *The Company is yet to appoint a women director after vacancy created on 17th December, 2015 as per section 149 of the Companies Act, 2013 and LODR, 2015.*
- (b) *The Boards constitutions is yet not in compliance with the provision of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.*
- (c) *The Company is yet to pay the debenture interest payment due for a period beyond one year as at the Balance sheet date. This attracts the provisions of Section 164 (2) and 167 of the Companies Act, 2013. The company has taken legal opinion for Section 167 of the said Act as the same appears ambiguous regarding the vacation of the Board, if and when such a contravention continues. The Company is informed that the Company Law Committee appointed by the Government of India has already recommended appropriate amendments to Section 167 to remove the apparent ambiguity. The Company is further informed the recommendation has been incorporated in the Companies (Amendment) Bill, 2016 which has been introduced in the Lok Sabha for discussion and is pending for confirmation.*
- (d) *During the year the Company was required to amend the Authorized Share Capital of the Company to Rs. 4,000 crore from Rs. 1,500 crore through an Extra Ordinary General Meeting (EOGM) in order to accommodate the conversion of debt into equity under the SDR provisions. A Singapore based bank led consortium through their security trustee, Hong Kong and Shanghai Banking Corporation (HSBC) filed a petition in the Bombay High Court for winding up the company and further prayed for stalling the EOGM to protect their interest. The Court, however, allowed the the EOGM to be conducted on submission of an affidavit by the Company that the resolutions passed at the EOGM for change in capital structure will not be implemented without obtaining prior written approval from HSBC. The Company has since written a letter to the Registrar of Companies, Ahmedabad citing the circumstances due to which the change in capital structure cannot be implemented.*

I further report that:

- (a) I rely on statutory auditors' reports in relation to the financial statements, qualifications and accuracy of financial figures for, Sales Tax, Wealth Tax, Value Added Tax, Related Party Transactions, Provident Fund, ESIC, FERA etc. as disclosed under financial statements and I have not verified the correctness and appropriateness of the books of accounts of the Company including loans & guarantees to the domestic and overseas subsidiaries and the Consultants report in relation to the other applicable Laws.
- (b) As per the information provided the company has prima facie given adequate notice to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting.
- (c) As per the information provided majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- (d) There are prima facie adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- (e) The management is responsible for compliances of all business laws. This responsibility includes maintenance of statutory registers/files required by the concerned authorities and internal control of the concerned department.
- (f) During the audit period the company has no specific events like Public Issue/ Right/ Preferential issue of shares/Debentures/ sweat equity, etc



## STATUTORY SECTION

### Directors' Report



I further report that:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the Management has conducted the affairs of the company.

**Virendra Bhatt**  
**ACS No – 1157**  
**COP No – 124**

**Place: Mumbai**

**Date: 30<sup>th</sup> May, 2016**

# Management Discussion and Analysis

# Management Discussion and Analysis

Alok Industries ('Alok' or 'the Company') is one of India's leading textiles company with a presence across the value chain of both cotton and polyester products. The Company services a wide customer base spread across the world including major global marquee brands and also has certain international operations. The year under review was a very challenging year due to a variety of reasons including slump in the polyester sector across the globe, liquidity crunch and a highly leveraged financial position. This led to the company facing considerable stress and consequently being considered for a 'Strategic Debt Restructuring' by its consortium of working capital lenders.

## Economic Overview

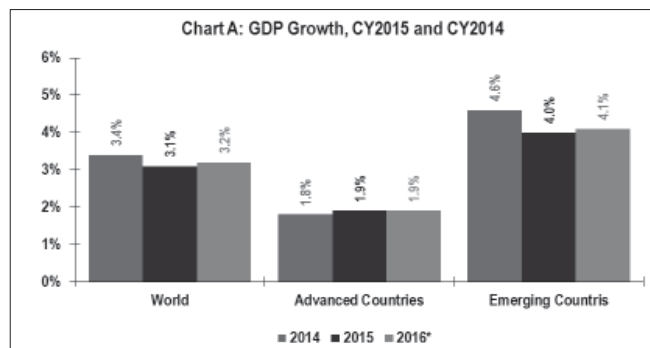
### World

Although the global financial crisis is now seven years behind us, the world's economy is still struggling to regain momentum. Growth continues to falter in advanced economies and, while there is considerable divergence of performance across emerging market and developing economies, their overall growth remains below potential. Emerging market and developing economies face challenges, including the fall-out of sluggish advanced economy growth, tighter financial conditions, and stubbornly low commodity prices, though the latter impacts economies differently, depending on their nature of trade. Exporters of oil and other key commodities have been particularly hard hit, while their importers have been more resistant to economic headwinds.

In advanced economies, investment continues to be soft amid weaker growth prospects and elevated policy uncertainty, while export growth has slowed reflecting subdued external demand. Despite an expected boost from lower energy prices, and the ongoing improvement in labor markets, growth is projected to level off in Calendar Year (CY) 2016 rather than accelerate.

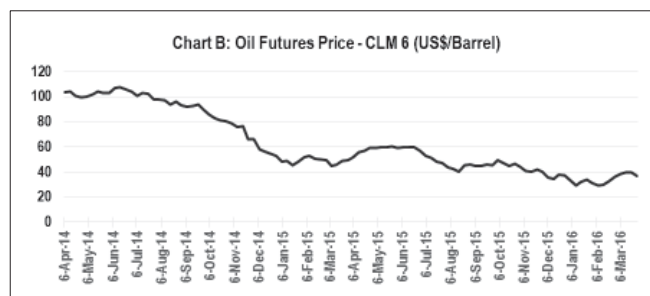
Emerging and Developing markets started CY2016 with weaker manufacturing activity. Investment growth has also slowed substantially, especially in commodity exporters, partly reflecting tightened domestic policies and weak capital inflows. In China, a gradual domestic rebalancing is under way, with robust growth in services and policy support measures mitigating the slowdown in industrial activity. Brazil and the Russian Federation are still mired in recession. Global merchandise trade remains subdued, reflecting rebalancing in China and weaker demand from commodity exporters, which together contributed to an outright contraction in overall Emerging and developing market merchandise imports in 2015.

Data from the International Monetary Fund (IMF), reported in the *World Economic Outlook (WEO), April 2016*, suggests that world economic output reduced from 3.4% in CY2014 to 3.1% in CY2015. While advanced economies remained steady at their lower levels of growth – 1.9% in CY2015 compared to 1.8% in CY2014, emerging markets and developing economies saw growth reduce from 4.6% in CY2014 to 4% in CY2015. Chart A gives the details.



Source: IMF estimates, Note: \*2016 is a forecast

Amidst this uncertainty, a positive for consumers was the continuing reduction in commodity prices, driven primarily by crude oil. As Chart B shows, oil prices, which were at levels of over US\$100/barrel at the beginning of FY2015, had reduced to levels of US\$50/barrel by the beginning of FY2016. The secular downward trend continued through FY2016 and touched around US\$30/barrel in December 2015. With this reduction, there was some respite in terms of cost of operations. Importantly, logistics costs diminished.



Major advanced economies are at different stages of their post-crisis recovery but are expected to stabilize around a weak growth trajectory. In the US, softer-than-expected activity since the start of

CY2016 has led to downward revisions to growth projections. Sectors that rely on oil-related activities or exports have faced increasing headwinds. Low oil prices, and associated financial stress, has led to a collapse of capital expenditure in the energy sector. As for external trade, a strong U.S. dollar and weakening demand from emerging markets contributed to stalling exports. In contrast, above-trend gains in real disposable income, on the back of robust job creation and falling energy prices, continue to support private consumption as the main engine of growth. Labor market slack is diminishing, but a cyclical recovery in labor participation and a still elevated number of discouraged and involuntary part-time workers suggest a persistent and sizable pool of underutilized labor.

# FAITH FOCUS COMMITMENT

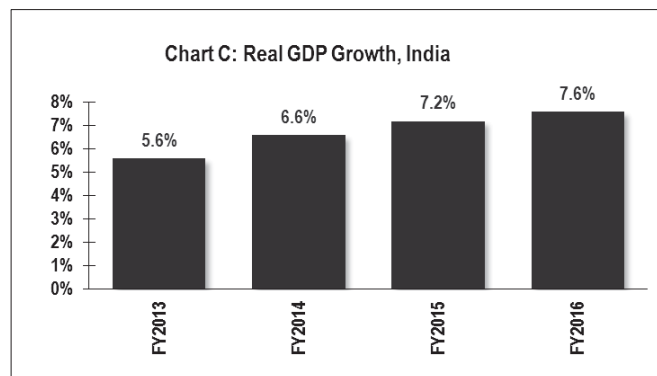
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The recovery in the Euro Area is progressing at a moderate pace, supported by an exceptional level of monetary policy accommodation, low oil prices, and slightly expansionary fiscal policies. However, weak external demand, renewed domestic uncertainties and broader geopolitical risks continue to weigh on confidence and activity. Private consumption has been resilient, and persistently low oil prices and improved labor market conditions should help consolidate gains in CY2016.

In China, gradual domestic rebalancing is under way. A sharp slowdown in industrial activity has thus far been mitigated by steady growth in the services sector. In CY2015, the services sector accounted for half of GDP and the majority of new urban jobs. This helped to offset layoffs in shrinking industrial sectors and kept urban labor markets tight. In addition, consumption growth continued to be robust, contributing largely to GDP growth in CY2015, almost double of what was contributed by investments.

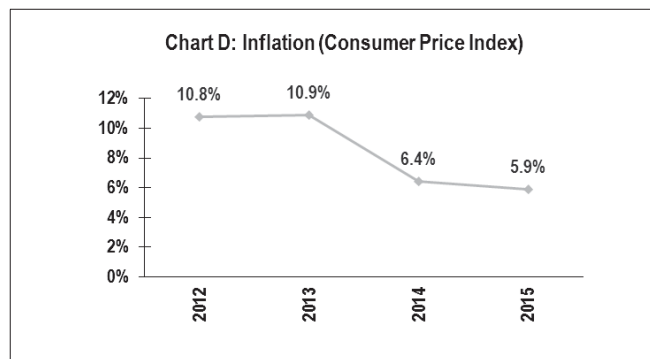
## India

Despite global economic slowdown, growth trends in the Indian economy have been encouraging. As Chart C shows, real GDP growth has been improving steadily from a low of 5.6% in FY2013 to 7.6% in FY2016. Today, India is the fastest growing large economy in the world.



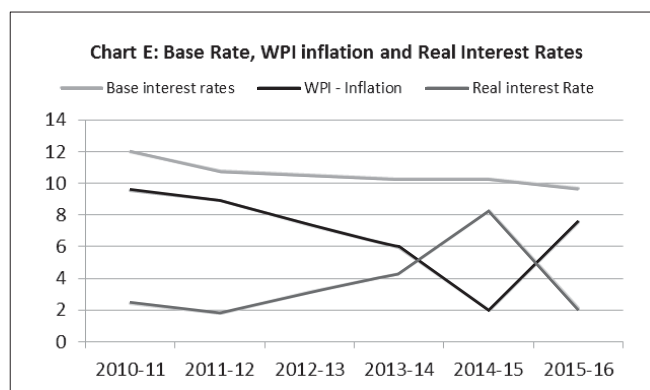
Source: Central Statistical Organisation (CSO), Government of India

Additionally, its other macroeconomic parameters like inflation, fiscal deficit and current account balance have exhibited distinct signs of improvement. Wholesale price inflation has been in negative territory for more than a year and the all-important consumer prices inflation has declined to nearly half of what it was a few years ago. As Chart D shows, compared to 10.9% CPI inflation in 2013, the level was down to 5.9% in 2015. With inflation under control, the Reserve Bank of India (RBI) has eased monetary policy and reduced the benchmark repo rate in three instalments by a total of 100 basis points. Consequently, lending rates have reduced marginally. The base rate for scheduled commercial banks, which was 10.25% in financial year (FY) 2014 has reduced to 9.7% by the end of FY2016. Having said so, interest rates need to come down further to really bolster investments.



Source: MOSPI, Government of India

On the one hand, the lower inflation and softening of and softening of interest rates auger well for consumption led growth of the real economy in India, on the other hand, the variance in the pace at which inflation and interest rates have reduced poses a problem for investment led manufacturing growth. Chart E shows that real interest rate, which is the difference between the base rate of banks (median value of rates of scheduled commercial banks) and inflation measured by the wholesale price index, has actually increased steadily between FY2011 and FY2015. This was at a time when economic demand was faltering. Such a development has had a lasting effect on return on investments in manufacturing and has contributed to the deteriorating quality of assets of the banking sector.



Source: Economic Adviser, Government of India

While there is much to cheer, there are also certain concerns. Weak growth in advanced and emerging economies has taken its toll on India's exports. In fact, exports reduced by 6.3% over 2015-16. Thankfully, imports have also declined, principally on account of reduced prices of crude oil for which the country is heavily dependent on imports and, hence, the trade and current account deficits continue to be moderate. Growth in agriculture has slackened due to two successive years of less than-normal monsoon rains. Saving and investment rates are showing hardly any signs of revival. The Rupee has depreciated vis-à-vis the US dollar, like most other currencies in the world, although less so in magnitude. At the same time, it has appreciated against a number of other major currencies. More importantly, the economy has not yet realised close to its potential as several reform measures are yet to take off and make any material impact. Several key initiatives like the ones for start-ups and the 'Make in India' campaign are yet to be meaningfully implemented. The all-important reform of Goods and Services Tax (GST) remains a legislative challenge. Hopefully,

the GST Bill will be passed in the course of 2016-17, as it must for India to reap the benefits it deserves.

## Textiles, Clothing and Fibre Industry

### Global Scenario

The textiles and apparel industry is highly matured and has strong correlations with global macro-economic developments. The industry relies on transnational specialization and involves a healthy level of global trade. The macro-economic trend of shifting manufacturing operations in the mid to lower value stream of the industry to relative low cost emerging economies is quite widespread for textiles and apparels. Also, new avenues of growth in demand are primarily in emerging markets, while the sheer size of the large advanced economies like USA and Europe still remain the largest markets for the global industry.

The global textile and apparel industry will continue to grow along with growing consumption of textile and apparel products in developing countries and a gradual economic recovery of major developed markets. The growth of conventional textile products is driven by apparel segment which constitutes majority share of total demand. As the market continues to evolve, new consumption centers for apparel and home textiles are emerging. While the apparel market is still largely dominated by EU and USA, countries like China, India and Russia are emerging as future destinations for apparel consumption. The high growth in the market will be primarily driven by the increase in population as well as the per capita apparel spending of the already large population in these countries. It is estimated that the global apparel market will be around US\$ 2.6 Trillion by 2025 growing at a CAGR of 4% per annum. This high growth in apparel consumption in developing economies will further drive the growth of textile manufacturing and trade in these countries. Table 1 gives present and projected consumption of Apparels in different regions and leading countries.

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

Apparel Market size projections for 2025 (USD bn)

Region	2015	Projected CAGR	2025
EU 28	350	1%	390
USA	315	2%	385
China	237	10%	615
Japan	93	1%	105
India	59	12%	180
Brazil	56	5%	90
Russia	40	4%	59
Canada	25	2%	30
Row	510	4%	746
<b>Total</b>	<b>1685</b>	<b>4%</b>	<b>2600</b>

Source: Wazir Advisors Analysis, Note\*Estimates

Per capita apparel consumption in developing countries like India and China is expected to increase by more than 2 times in next 10 years and make these the drivers of incremental growth, while the advanced markets will still remain important because of their sheer size. Table 2 and Chart F give the change in per capita consumption for some of the world's leading textiles and apparel markets.

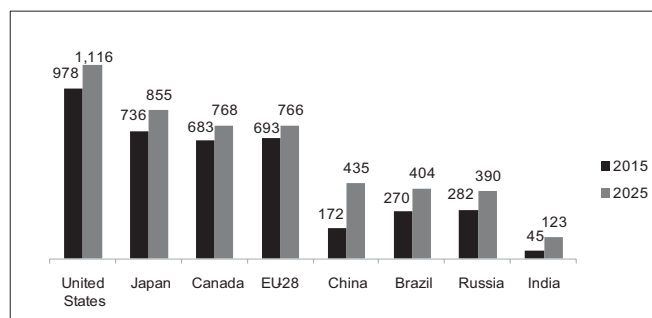
**Table 2: Per Capita Consumption of textiles and Apparel**

in US\$ Bn

Country	2015	2025
USA	980	1114
Japan	780	980
Canada	690	854
Australia	711	846
EU-28	702	732
China	159	402
Russia	286	390
Brazil	270	372
India	44	123

Source: Wazir Analysis

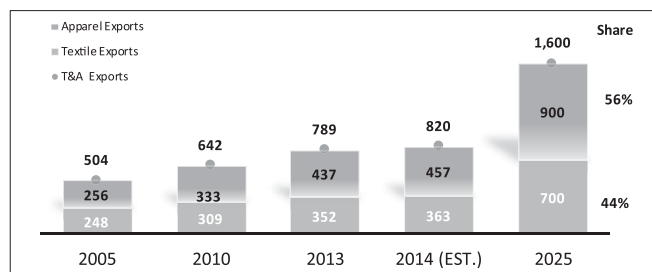
**Chart F: Per Capita Consumption of Apparel from 2015 to 2025(in US \$)**



Source: Wazir Analysis

Along with the growing consumption, global textile and apparel trade is estimated at US\$820 bn and has grown at 5.6% CAGR since 2005 and is expected to grow further at 6.3% CAGR and reach US\$1600 bn by 2025 as shown in Chart G. Presently, apparel constitutes more than half of the share of the global textile and apparel trade followed by fabric and yarn. Growth in global trade will bring about investments in the countries having strong supply base for apparel and textile products. India will be one of the gainers from investment point of view.

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



Source: UN Comtrade, WTO, Wazir Advisors Analysis

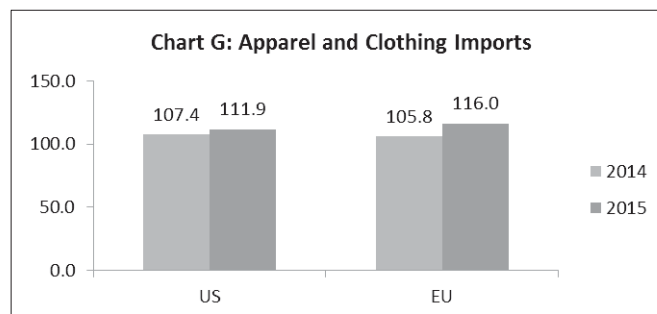
### Global Trade in Textiles and Apparel in 2015

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.



**EU imports:** Data from European Textile and Apparel Confederation (EURATEX) suggests that overall import of clothing and textiles into Europe across all product types increased 9.6% to Euro 104.9 bn (US\$ 116 bn), with textile import up 8.4% to Euro 28.6 bn (US\$ 31.6 bn) and clothing growing by 10% to Euro 80.8 bn (US\$ 89.3 bn). Import from top two suppliers – China and Bangladesh – recorded double digit growth. China saw its shipments rise 6% to Euro 29.97 bn (US\$ 32.6 bn), with 30 bn articles of clothing sold to the EU. Bangladesh registered a 24% increase in shipments to Euro 13.72 bn (US\$15.17 bn). Imports from the third largest supplier – Turkey – increased by 2% to Euro 9.44 bn (US\$10.4 bn), while India was the fourth largest supplier registering sales of Euro 5.14 bn (US\$5.7 bn), which was a growth of 11% over 2014.

**US Imports:** Total apparel and clothing imports into USA grew by 4.16% to US\$111.9 billion. China, the largest exporter to the US with a share of 38.6% of total US imports, witnessed a growth of 3.35% to US\$43.2 bn. The second largest exporter, Vietnam, recorded a growth of 13.4% to US\$11.3 bn, followed by India, whose exports to USA increased by 8.24% to US\$7.3 bn and Bangladesh with exports worth US\$5.7 million, growing by 11.9%.



Source: Euratex and OTEXA

2015 was as such a tough year for many of Asia's exporters. But, while exporters of commodities and electronics suffered, the apparels and textiles sector held up remarkably well. Those exporters in the region that depended heavily on garments by and large outperformed their rivals. In many cases, these countries occupy the lower end of the apparel value chain, but the stability of the sector's performance has highlighted its important role as a driver of labor-intensive development for Asia's emerging markets.

The relative trends in competitiveness between Asia's main garment and textile exporters are broadly correlated with data from the US government's Office of Textiles and Apparel. These show that Asian suppliers accounted for roughly three-quarters of the total US imports of such products. China's share of the US market remains dominant, although the share has marginally slipped compared to 2014. The share of apparel and garment imports coming from members of the Association of South-East Asian Nations (ASEAN), by contrast, edged up largely owing to higher imports from Vietnam: other ASEAN nations such as Indonesia, Thailand and the Philippines lost market share. Collectively, the share of South Asian economies in US garment and textile import has grown closer to the levels reached by ASEAN countries. Interestingly, the performance of Indian and Sri Lankan exporters in the US has been significantly better than that of their domestic apparel export sectors overall.

The big shifts in exchange rates—both within Asia and in other emerging markets—that was seen in the last half of 2015 – will probably have a significant impact on the apparel trade in the next few years. Margins in the sector tend to be narrow, and so currency movements can have a significant effect on national competitiveness.

Nevertheless, many of the underlying trends evident in 2015 look set to continue. China's rising domestic costs are unlikely to be fully offset by the depreciation of the Renminbi that we expect to see in 2016, but the speed of the low-end garment export sector's departure to other markets will depend partly on the level of support that the Chinese government supplies to local producers. Garment sectors in India and Sri Lanka will continue to struggle with lackluster EU demand in the next few years, but their rising sales in the US will provide some offsetting support. Meanwhile, the rise of apparel producers in Bangladesh and Vietnam has been evident for several years, and there is no sign that their share of the global market will peak in the near future.

Less positively, mid-tier producers in countries like Cambodia, Indonesia, the Philippines, Thailand and Pakistan will have to do more to match their rivals in this increasingly tough market. Prospects for the garment sector in all five countries look fragile, particularly as new and even cheaper countries like Myanmar emerge as potential sites for production. Apparel exports may be holding up better than those of commodities and electronics, but competition in the sector remains cut-throat.

Thus, the global textile market is expected to grow and the key take aways are:

- The global apparel consumption will increase from USD 1.7 trillion in 2015 to USD 2.6 trillion by 2025
- Developing / Emerging economies will drive the apparel market growth
- Per Capita expenditure on apparel in developed countries in a decade from now will still be far more than that in developing nations
- China and India will be the fastest growing apparel markets, both growing in double digits
- China will become the biggest apparel market adding more than USD 378 bn in market size by 2025. India will be the second most attractive apparel market adding USD 121 bn by 2025

## Indian Textile and Apparel Market Overview

Textile plays a major role in the Indian economy because of its following contributions:

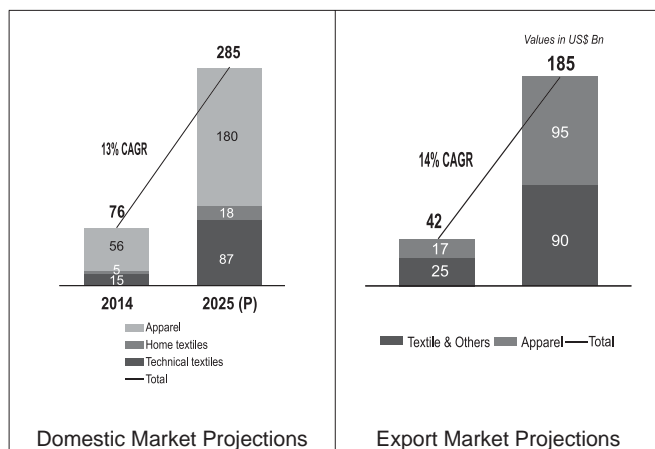
- Largest producer of Cotton in the world
- Largest producer of Jute in the world
- 2nd Largest producer of Silk in the world
- 2nd Largest producer of Man-made staple fiber
- 10th Largest producer of Wool with production

The Indian Textile and Apparel Industry have following inherent Strengths:

- Raw material availability
- Presence in complete value chain
- Big domestic market
- Large pool of skilled workers at comparative less wage rates
- Capability to process small lots with good design development
- Alignment with Government flagship schemes and initiatives like 'Make in India' & 'Skill India'

The size of India's textile market in 2014 was US\$76 bn, which is expected to touch US\$285 bn market by 2025 at a CAGR of 13% as shown in Chart-H.

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



Source: Technopak, Ministry of Textiles, Secondary Sources & IBEF

The textile and apparel industry can be broadly divided into two segments - yarn and fibre, and processed fabrics and apparel. India accounts for around 14% of the world's production of textile fibres and yarns (largest producer of jute, second largest producer of silk and cotton, and third largest in cellulosic fibre). India has the highest loom capacity (including hand looms) with 63% of the world's market share.

In terms of fibre, cotton production in India increased from 5022 mn kg in 1998-99 to 9959 mn kg in 2013-14, man-made fibre increased from 782 mn kg to 1307 mn kg during the same period at a CAGR of 5%. (Table 3 gives details) Production of yarn increased from 2808 mn kg in 1998-99 to 6707 mn kg in 2013-14 at a CAGR of 4%. Fabric production increased from 35542 mn square meter in 1998-99 to 63500 mn square meter in 2013-14 at a CAGR of 4%. Garment production increased from 6228 mn pieces in 1998-99 to 16485 mn square meter in 2013-14 at a CAGR of 7%. Made Ups production increased from 1070 mn kgs in 1998-99 to 2061 mn kgs in 2013-14 at a CAGR of 4%.

**Table 3: India's textile production scenario**

Sector	Unit	1998-99	2010-11	2013-14	CAGR
<b>Fiber</b>	<b>Mn kg</b>	<b>5022</b>	<b>8913</b>	<b>9959</b>	<b>5%</b>
Natural fiber	Mn kg	4240	7628	8652	5%
Man-made fiber	Mn kg	782	1285	1307	3%
<b>Yarn</b>	<b>Mn kg</b>	<b>3658</b>	<b>6263</b>	<b>6707</b>	<b>4%</b>
Spun yarn	Mn kg	2808	4713	5309	4%
Filament yarn	Mn kg	850	1550	1398	3%
<b>Fabric</b>	<b>Mn sq mtr</b>	<b>35542</b>	<b>62559</b>	<b>63500</b>	<b>4%</b>
Woven	Mn sq mtr	29266	47925	47301	3%
Knitted	Mn sq mtr	6276	14634	16199	7%
<b>Garment</b>	<b>Mn pcs</b>	<b>6228</b>	<b>13284</b>	<b>16485</b>	<b>7%</b>
<b>Made ups</b>	<b>Mn kg</b>	<b>1070</b>	<b>1887</b>	<b>2061</b>	<b>4%</b>

Source: Ministry of Textiles, Wazir Analysis

### India Textile and Apparel Export Market

In the last 10 years, India has leveraged some of the global opportunities and grown its exports. Since FY2006, although there have been fluctuations in some years, overall textile and apparel exports grew at a CAGR of 10.6% to reach US\$42 billion in 2014 (Table 4).

**Table 4: Export Growth of Indian Textiles and Apparels**

Particulars	2005 (US\$ bn)	2014 (US\$ bn)
Textiles	9	25
Apparels	8	17
<b>Total</b>	<b>17</b>	<b>42</b>

While exports to US and EU had picked up there was strong competition not only from China but from other low cost countries like Vietnam and Bangladesh.

Though textiles exports provided a sizable 13% of all exports from India, the country's share in global textile trade still remains low at around 5%, but the potential is immense particularly as the leader China, the global leader is facing higher cost of production with increase in wages and focusing on a shift to services, and some of the other competing countries witnessing political instability, high inflation, currency appreciation and concerns over workplace conditions. Table 5 gives competitive advantage of India vis-à-vis other competing countries.

**Table 5: Competitive cost manufacturing base**

Cost element	Unit	India	Bangladesh	China	Vietnam	Cambodia	Ethiopia	Kenya
Labour cost *	US\$/month	140-160	100	500-550	180	190	50-60	125-150
Power cost	US\$/kwh	0.10-0.12	0.09-0.12	0.15-0.16	0.08	0.22	0.04	0.09**
Lending rate	%	12-14%	13%	5-6%	6-7%	15%	8.5-9.5%	16-18%
Water cost***	US Cents / m	18	20.5	57	50-80	70-90	30-40	150-180

Source: Texprocil benchmarking report May 2014, ITMF cost comparison report, 2014 and Wazir analysis

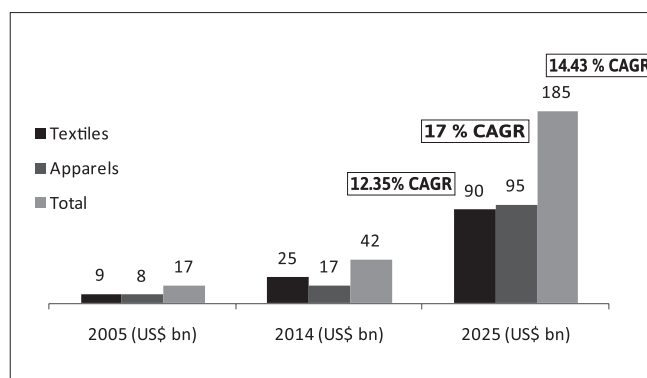
\* cost for semi-skilled labour; includes all benefits

\*\* Normal power cost for Kenya is US\$ 0.19 - 0.20 / unit but it is subsidized to US\$ 0.09 / unit for textile and apparel exporters. The Government has promised to reduce power

\*\*\*Water cost is based on the average tariff of the water supply companies of specific countries

India's exports are further expected to grow at 14.43% CAGR and reach around US\$ 185 bn by 2025 (see chart-I). Apparel exports are expected to grow faster at 17% CAGR and reach US\$ 95 bn from the existing US\$ 17 bn, while textile exports are expected to reach US\$ 90 bn from the existing US\$ 25 bn growing at the rate of 12.35% CAGR by 2025.

**Chart I: Projected Textile and Apparel Exports of India (US\$ bn)**



Source: Ministry of Textiles, UN Comtrade & Wazir Analysis

### Growing market will fuel production requirement in future

Production across all sectors will be required to more than double by 2025 in order to cater to the increasing market demand. Correspondingly additional investments in manufacturing across all sectors are expected to come in near future as shown in Table 6.

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**Table 6: India's future textile production requirement**

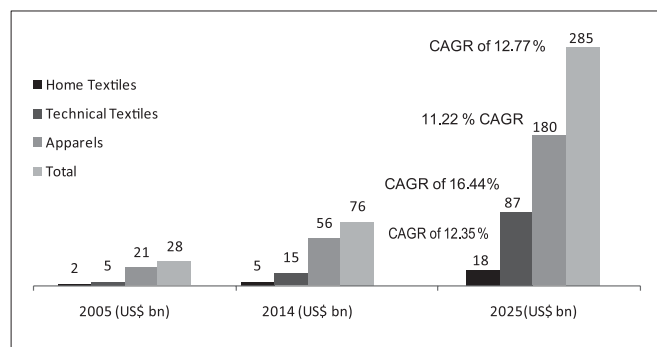
Segment	Production 2014	Demand 2025	Additional Manufacturing	Unit	Annual Growth Required
Spun Yarn	5,485	19000	13,515	Mn Kg	12%
Filament Yarn + Man made staple fibre	1,246	19000	17,754	Mn Kg	28%
Woven Fabric	48,136	103450	55,314	Mn Sq. Mtrs	7%
Knitted Fabric	16,960	58960	42,000	Mn Sq. Mtrs	12%
Processing	65,096	162435	97,339	Mn Sq. Mtrs	9%
Sewing	20,255	43740	23,485	Mn Pcs	7%

Source: Ministry of Textiles, Wazir Analysis

## Domestic market scenario in Textile and Apparel

The domestic textile and apparel industry in India is estimated to reach US\$ 285 billion by 2025 at a CAGR of 12.77% (see chart J). Presently, apparel market dominates with a market share of 74% of the market, 19% technical textiles and 7% home textiles. Fastest growth is expected in technical textiles, which is expected to grow at a 16.44% CAGR and reach US\$ 87 bn in 2025. Apparel is expected to grow by 11.2% CAGR while home textile is expected to grow by 12.35% CAGR on a small base. Increased penetration of organised retail, favourable demographics, and rising income levels are likely to drive demand for textiles.

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



Source: Ministry of Textiles, UN Comtrade & Wazir Analysis

## Large investments in the sector are required to cater to future production requirement & market demand

The Indian domestic market is expected to reach US\$ 285 Bn by 2025 from US\$ 76 Bn in 2014 and export market is expected to reach US\$ 185 Bn by 2025 from US\$ 42 Bn in 2014 (see Table 7). Increasing demand on 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.

**Table 7: Market Size**

Particulars	2014	2025	CAGR
Domestic	US\$ 76 Bn	US\$ 285 Bn	13%
Exports	US\$ 42 Bn	US\$ 185 Bn	14%
<b>Total</b>	<b>US\$ 118 Bn</b>	<b>US\$ 470 Bn</b>	<b>13%</b>

India in order to achieve the above growth has to invest an estimated amount of USD 320 bn across the Textile value chain (see Table 8).

**Table 8: Investments required**

Segment	Investment Required by 2025 (US\$ Bn)*
Yarn Manufacturing (Spun + Filament)	68
Weaving	100
Knitting	10
Processing	88
Sewing	25
Technical Textiles	29
<b>Total</b>	<b>320</b>

\*includes investment in replacement of some of the old existing machinery

It can be summarised that Indian Textile industry is poised for a growth as under:

- Global textile and apparel textile industry market & trade is growing and will continue to do so in future
- India's growing domestic market will also provide major boost to the textile & apparel industry
- Global trade trends will favour India as a promising textile and apparel base
- Fundamentals of Indian textile manufacturing are strong and makes India globally competitive
- High investments are required across the value chain to cater to the future demand potential
- Indian government is also providing good support to textile industry
- India has huge potential to increase its product basket especially in MMF textiles
- Indian textile companies are also growing in size and scale and becoming globally competitive
- Overall India's Textile and Apparel sector is well placed to tap the huge market opportunity and consolidate its global position.

## Business Strategy

Being one of India's leading textiles manufacturers, Alok Industries has the global scale of operations and has presence in global markets. It is ready for the opportunities available in the growing global apparel and textiles market for Indian Textile Industry. The strategy followed was to create globally competitive capabilities across the value chain – from yarn to weaving to specialised products. Alok uniquely positioned itself in both apparel and home textiles segments and covered both the cotton and polyester product streams.

While each of these business divisions are like independent value generating entities, the focus was on offering product basket to cater to our ever demanding customers and for the stake holders. We built up global scale of operations, which are essential to compete in the global market place and focus on diversification in product and markets.

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 step down subsidiary Grabal Alok (UK) Limited and real estate investments through Alok Infrastructure Limited, its 100% subsidiary. Across all these businesses, the focus was on enhancing value. However, most of these initiatives on one hand have not yielded the desired results and increased the leverage of the Company on the other hand. Now, the Company is exploring the possibility to monetise these assets to deleverage the balance sheet.

This entire endeavour at expanding for global positioning warranted large scale investments, which was largely debt financed. In addition, the diversified operations also required large financing support not only to create but also for the gestation period till a self-sustaining level is realised.

Consequently, while the Company has created and developed the requisite infrastructure to take advantage of global market opportunities, it has also to deal with a highly financially leveraged balance sheet. Over the last few years, as the Company developed its higher capacities and diversified into other business, external environment became subdued. India as well as global markets went through a phase of economic slowdown and uncertainties. As a result, the Company could not exit some of its overseas and domestic real estate business and the burden of servicing debt has grown significantly on its Textile business operations.

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. However, market conditions, today are not very conducive to make such asset sales in a reasonable span of time. Towards this end, the company has entered into an MOU to sell its Czech based unit "Mileta International". If all the requirements of the MOU are satisfactorily met, the trade is expected to get concluded by March 2017/ June 2017. The proceeds of the same would be used to repay the acquisition debt financed by the banks.

The reasons for the Company's present tight liquidity situation can be summarised as under:

- Temporary miss-match of funds caused due to bunching of repayments of core and non-core loans.
- Substantial amount from operations was used to service debt resulting in tight working capital situation impacting operations.
- This was further aggravated by the higher receivables & Inventory in the domestic market for woven fabric due to tight liquidity.
- Increase in average interest cost from about 7% per annum in FY 2010 to around 13% by FY2014.
- Delay in monetization of non-core assets due to depressed economic conditions which resulted in additional burden of interest of non core business loans on core textile business.
- Delay in sanction/ release of credit facilities and delay in receiving export advances against the Export Performance Bank Guarantee.

Consequently, the Company is going through a very tight phase in terms of liquidity in the system, which is preventing it from growing revenues and generating cash. In November 2015 (reference date 27.11.2015), banks invoked the SDR (Strategic Debt Restructuring)

to work out a viable solution for the Company. Under SDR, Banks agreed in principle to convert debt of Rs. 2557.88 crore into equity i.e. 2,55,78,76,091 equity shares of Rs. 10 each to take a controlling stake of 65% in the company.

Alok has passed necessary enabling resolution in its Board meeting held on 30.01.2016 as well as obtained shareholders' approval in the Extraordinary General Meeting (EGM) held on 14.03.2016 to increase authorized share capital and allow conversion of debt to equity under the SDR Scheme by way of fresh issue of equity shares. So far banks have not asked the company to issue shares under SDR. There was also a case filed by a Singapore based bank led consortium of banks for winding up of the Company for non-payment of their dues and they have also restricted the further issue of shares without their approval.

There are some other cases filed on the company by banks/ institutions & suppliers for recovering their dues. Most of these cases are being pursued due to uncertainty about the way forward for the Company. We believe, once the definite course of action about the revival of the Company is known, most of the legal cases filed on the Company would also get addressed.

The Company is working with all financial stake holders to evolve an effective debt recasting programme and exploring various avenues to induct capital into the system and continue operations as a 'going concern'.

### Financial Performance (Stand Alone)

The stand-alone results give the analysis of the textile business of the Company. Table 9 gives the summarised profit and loss statement of the Company in the current year compared to the previous year. It may be noted that while current accounting period ended March 2016 is for 12 months, the previous accounting period ended March 2015 was of 18 months and are therefore, strictly not comparable.

**Table 9: Summarised Profit and Loss Account**

(Rs. Crore)

PROFIT & LOSS ACCOUNT	FY2016 (12 Months Ended 31 March 2016)		FY2015 (18 Months Ended 31 March 2015)	
		% to Sales		% to Sales
Domestic Sales	10,528.90		18,269.12	
Export Sales	1,223.49		3,861.60	
<b>Net Sales</b>	<b>11,752.39</b>		<b>22,130.72</b>	
Other Income	86.98		224.82	
<b>Total Income</b>	<b>11,839.37</b>		<b>22,355.54</b>	
Material Costs	9,692.60	82.47%	14,662.67	66.25%
People Costs	257.14	2.19%	412.59	1.86%
Other Expenses	4,347.88	37.00%	2,009.87	9.08%
<b>EBIDTA</b>	<b>(2,458.24)</b>	<b>(20.92%)</b>	<b>5,270.41</b>	<b>23.81%</b>
Depreciation	635.35	5.41%	1,461.21	6.60%
<b>EBIT</b>	<b>(3,093.59)</b>	<b>(26.32%)</b>	<b>3,809.20</b>	<b>17.21%</b>
Interest & Finance Costs	2,525.45	21.49%	3,251.16	14.69%
<b>Profit / (Loss) Before Tax</b>	<b>(5,619.05)</b>	<b>(47.81%)</b>	<b>558.04</b>	<b>2.52%</b>
Less: Provision for Taxes	(1,896.25)	(16.14%)	209.28	0.95%
<b>Profit / (Loss) After Tax</b>	<b>(3,722.80)</b>	<b>(31.68%)</b>	<b>348.76</b>	<b>1.58%</b>



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## Profit and Loss Analysis

- **Net Sales** was Rs.11, 752.39 crore in the current year comprising of domestic sales of Rs. 10528.90 crores and export sales of Rs. 1223.49 crores. In the previous 18 months period, the total sales were Rs. 22,130.72 crores comprising of domestic sales of Rs. 18,269.12 crores and export sales of Rs. 3,861.60 crore. In the current financial year, the Company witnessed lower level of operations due to working capital constraints. The Company also relied on outsourced fabrics to maintain its sales; however, that has not given desired results in terms of realisation and margins.
- **Other Income** was Rs. 86.98 crores. The major part of the other income was interest income on fixed deposit with banks kept for LC / BG margin, trade advances, rent income, etc.,. The other income for previous period Rs. 224.82 crores, comprising of interest income on fixed deposits, trade advances, exchange rate difference, rent income, etc.,.
- **Material Cost** was Rs.9, 692.60 crore in the current financial year as compared to Rs. 14,662.67 crore in the previous period. As a percentage of sales, material cost increased from 66.25% in the previous period to 82.47% in the current year. Much of this increase is due to provision made for old inventory, change in product mix, inadequate working capital for better purchase and pricing pressure.
- **People Costs** was Rs. 257.14 crore in the current financial year as compared to Rs. 412.59 crore in the previous period. As a percentage to sales, it has increased to 2.19% as against 1.86% in the previous period.
- **Other Expenses** was Rs.4, 347.88 crore in the current year as compared to Rs. 2,009.87 crore in the previous period. Much of the increase in the current year was on account of provision for doubtful debts of Rs.1, 446.31 crore (previous period Rs. 82.19 crore), bad debts & advances written off Rs.1, 381.85 crore (previous period Rs. 2.87 crore), provision for doubtful advances of Rs. 238.16 crore (previous year Rs. 7.24 crore), exchange rate difference of Rs. 298.68 crore (previous year Rs. nil), provision for diminution in value of investments Rs. 55.47 crore (previous year Rs. nil). In percentage terms, other expenses for the current year increased to 37%
- **Operating Earnings before Interest, Depreciation, Tax and Amortisation (EBIDTA)**, was loss of Rs.2, 458.24 crore for the year as compared to profit of Rs.5, 270.41 crore in the previous year.
- **Depreciation** is Rs.635.35 crore in the current year as compared

to Rs.1,461.21 crore in the previous year. As a percentage of sales it has reduced from 6.60% in the previous year to 5.41% in the current year.

- **Interest** expense for the year was Rs. 2525.45 crore as compared to Rs.3,251.16 crore in the previous period. As a percentage to sales, interest and financing expenses increased from 14.69% in the previous period to 21.49% of sales in the current year.
- **Net Profit / (Loss) After Tax** there was a loss of Rs.3,722.80 crore in the current year against a profit of Rs.348.76 crore in the previous period.

## Cash Flows

Table 10 gives the abridged cash flow statement of the Company

**Table 10: Summarised Cash Flow Statement**

PARTICULARS	(Rs. Crore)	
	FY2016 (12 Months Ended 31 March 2016)	FY2015 (18 Months Ended 31 March 2015)
Net cash (used in) /generated from operating activities	(2460.48)	3,373.76
Net cash (used in) / generated from investing activities	(18.65)	(736.00)
Net cash (used in) / generated from financing activities	2404.52	(3,273.73)
Net (decrease) / increase in cash and cash equivalents	(74.60)	(635.97)
<b>Cash and Cash equivalents as on year end</b>		
At the beginning of the period	93.17	729.14
At the end of the period	<b>18.57</b>	<b>93.17</b>
Net (decrease) / increase in cash and cash equivalents	(74.60)	(635.97)

## Textiles Business: Operations Review

### Overview

Alok is into single segment business i.e. Textiles. In Textiles Alok draws its strength from being present across the value chain, both in cotton and polyester. Each of its products has domestic as well as export markets. Within Textiles, Alok's business is mainly comprising of Cotton spinning, Apparel fabric (wovens & knits), Home textiles (sheeting & terry towel), Garments and Polyester. The division wise sales and its bifurcation into domestic and export is given in table 11 and Chart-K below:

Table 11: Snapshot of Alok's product-group wise sales distribution

(₹ Crore)

PARTICULARS	12 M YTD ENDED 31 MAR 2016				18 M YTD ENDED 31 MAR 2015			
	LOCAL	EXPORT	TOTAL	% TO TOTAL SALES	LOCAL	EXPORT	TOTAL	% TO TOTAL SALES
<b>Cotton Yarn</b>	390.69	14.11	404.80	3.45%	185.27	149.80	335.06	1.52%
<b>Apparel Fabric</b>								
Woven	8,667.55	202.43	8,869.98	75.47%	15,929.71	644.02	16,573.73	74.89%
Knitting	70.14	20.48	90.63	0.77%	227.11	138.83	365.94	1.65%
	<b>8,737.69</b>	<b>222.91</b>	<b>8,960.60</b>	<b>76.24%</b>	<b>16,156.82</b>	<b>782.86</b>	<b>16,939.68</b>	<b>76.54%</b>
<b>Home Textiles</b>								
Sheeting	21.27	539.88	561.15	4.77%	16.48	1,741.18	1,757.66	7.94%
Terry Towel	13.73	168.48	182.21	1.55%	19.16	487.68	506.84	2.29%
	<b>35.00</b>	<b>708.36</b>	<b>743.36</b>	<b>6.32%</b>	<b>35.64</b>	<b>2,228.86</b>	<b>2,264.50</b>	<b>10.23%</b>
<b>Garments</b>	21.27	52.29	73.56	0.63%	26.93	151.87	178.80	0.81%
<b>Polyester Yarn</b>	1,344.25	225.82	1,570.07	13.36%	1,864.47	548.21	2,412.68	10.90%
<b>TOTAL</b>	<b>10,528.90</b>	<b>1,223.49</b>	<b>11,752.39</b>	<b>100.00%</b>	<b>18,269.12</b>	<b>3,861.60</b>	<b>22,130.72</b>	<b>100.00%</b>

Chart K: Share of different product groups in total sales

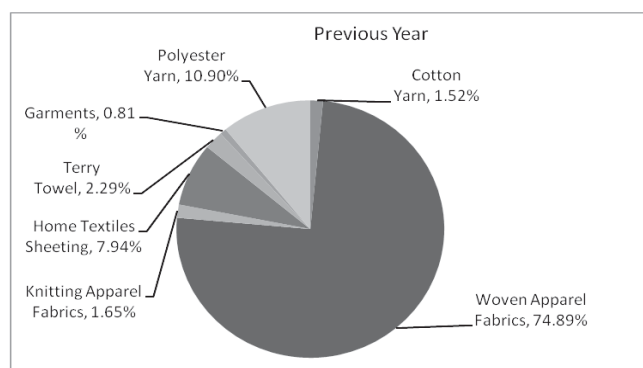
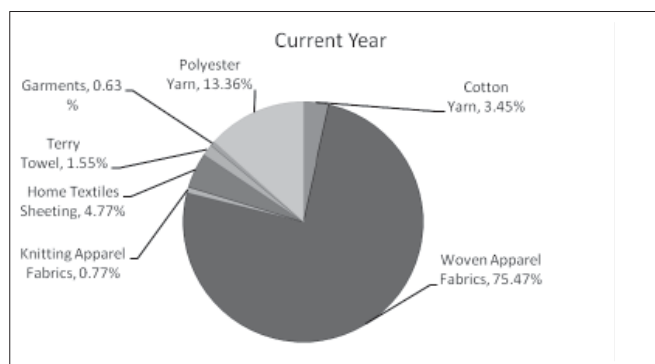


Chart K shows that the highest share of sales is from woven apparel fabric accounting for 75.47% in line with the previous year. This is followed by polyester yarn whose share has increased from 10.9% in the previous year to 13.4% in the current year, followed by home textiles sheeting whose share has reduced from 10.2% in the previous

year to 6.3% in the current year. The share of garments for the current year was 0.6% as compared to 0.8% in the previous period.

#### Exports

In a highly competitive export market where Alok has strong established relations with large marquee customers, Alok's business was affected due to liquidity issues affecting production that could service export orders. Consequently, export sales reduced to Rs.1, 223.49 crore in the current year as against Rs. 3861.60 crore in the previous 18 months period. However, going forward there will be renewed emphasis to grow exports.

Table 12 gives the share of different regions in Alok's exports. The share of Alok's exports to different regions of the world is given in chart L. USA remains the dominant market with 47.5% share in the current year, up from 47.03% in the previous year. The share of Asia has decreased from 31.56% in the previous year to 28.27% in the current year, while that of Europe has increased from 9.64% in the previous year to 14.01% in the current year.

Table 12: Regional Distribution of Exports

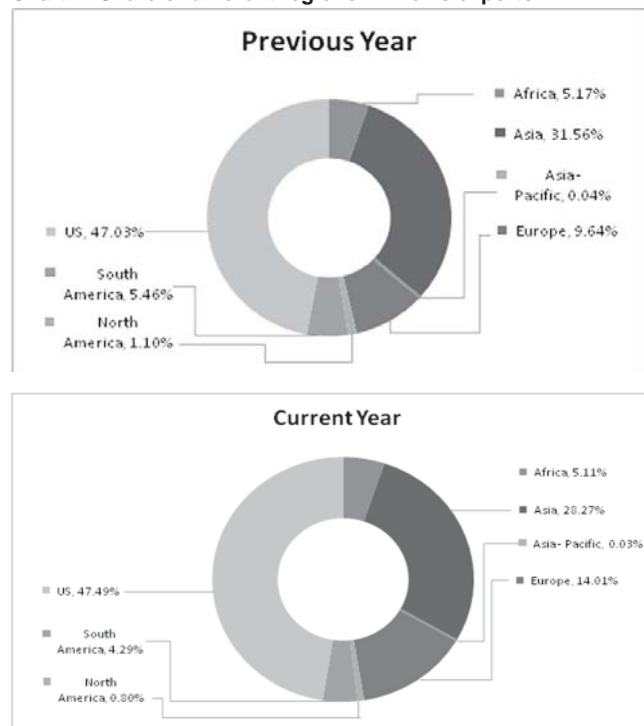
Regions	12 M YEAR ENDED 31 MAR 2016			18 M PERIOD ENDED 31 MAR 2015		
	Rs. Crore	US\$ Mln	% of Exports	Rs. Crore	US\$ Mln	% of Exports
Africa	62.54	9.77	5.11%	200.48	32.66	5.17%
Asia	345.94	53.57	28.27%	1,220.94	199.22	31.56%
Asia - Pacific	0.32	0.05	0.03%	1.57	0.25	0.04%
Europe	171.36	26.48	14.01%	372.93	60.86	9.64%
North America	9.79	1.53	0.80%	42.77	6.96	1.10%
South America	52.48	8.05	4.29%	211.50	34.45	5.46%
US	581.07	90.24	47.49%	1,811.41	296.93	47.03%
<b>Total</b>	<b>1,223.49</b>	<b>189.69</b>	<b>100.00%</b>	<b>3861.60</b>	<b>631.34</b>	<b>100.00%</b>



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**Chart L: Share of different regions in Alok's exports**



## Manufacturing Capacities

Table 13 gives the manufacturing capacities of the Company in different divisions based on its present product mix.

**Table 13: Alok's Manufacturing Capacities**

Divisions	Units	Capacities p.a.
		2015-16
<b>Spinning- Cotton Yarn</b>	Tons	72,000
<b>Home Textiles</b>		
Sheeting Fabric	mn mtrs	105
Equivalent Sheet Sets	Mn Sets	19
Terry Towels	Tons	14,400
<b>Apparel Fabrics</b>		
Woven Fabric (includes embroidery)	mn mtrs	156
Knits	Tons	21,600
<b>Garments</b>	mn pcs	10
<b>Polyester</b>		
Continuous Polymerisation	Tons	504,000
Partially Oriented Yarn (POY) /Chips	Tons	(363,600)
Draw Texturised Yarn (DTY) (out of POY capacity)	Tons	(234,000)
Fully Drawn Yarn (FDY)	Tons	(54,000)
Polyester staple fibre / Cationic Yarn	Tons	(86,400)
Master Batch	Tons	5,400

## Quality, Safety, Health and Environment

At Alok, continuous efforts at developing world class processes and quality assurance are fundamental and non-negotiable part of the way business is conducted. There is regular focus in manufacturing and allied practices to adhere to the concept of 'get it right - first time and every time'. To achieve this, the Company's products, manufacturing processes and equipment are rigorously and always checked for quality standards and process deviations, if any.

The Company's adherence to internationally recognized certification standards and compliances has been recognized by renowned certification bodies (see Table 14). Today, the Company has the following accreditations.

**Table 14: 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 & Garments – 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 & Garments – Vapi
GOTS: Global Organic Textile Standards/ OCS-Organic Content Standard.	• 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
OEKO Tex Standard – Product Class	• Hemming Division, Silvassa
	• Made-ups Division, Vapi
	• 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

In addition to the certifications detailed above and in Table 14, Alok also holds the following certifications:

- NABL Lab Certification ISO 17025:2005 for Normal Width plant, Vapi
- Egyptian Cotton Certificate
- TS 16949:2009 (Automotive standard) –Polyester Plant, Silvassa

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

#### Information Technology (IT)

Alok has always looked at IT as a business enabler to optimize 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 been running seamless through the financial year. Technical and function team worked continuously on enhancing the performance and consolidating various SAP functions.

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).

Disaster recovery system running "Double Take" application is working seamlessly and online with the production system.

Data centre was fully functional with no significant downtime, meeting all business requirements. Adequate power backup with multiple UPS systems configured in auto-failover mode provide uninterrupted power supply for the infrastructure. Access to data enter is controlled through face reader devices.

#### Human Resource

The fundamental driver of any Company is its people and at Alok Industries there has always been extended focus on the Management of Human Resources. It is widely recognised that the Company's employees are the most valuable asset to the organization and will play a pivotal role in helping the business overcome its present challenges. The belief is that with a well-motivated and energized work force, nothing is impossible.

Human Resources (HR) Management at Alok is concerned primarily works on facilitating the competencies and retention of skilled people, developing management systems that promote commitment, promoting practices that foster team work and flexibility and continuously striving to make employees feel valued and rewarded.

At the operation level, in the manufacturing process, HR activities at Alok focus on maintaining health, safety, welfare and social security of employees to ensure hygienic workplace, integration of employment relations, grievance and discipline.

The primary objective HR at Alok is to bring about organisational effectiveness by helping employees achieve their personal goals in a manner that enhances the overall performance of the Company. In this endeavour, there is strong focus on promoting team work rather than

individual excellence. A lot of focus is given to develop employees' skills in teamwork and senior management is specially trained in promoting team building, team nurturing and cohesive teamwork.

The HR function is built on a strong foundation of utilising recruitment methodology and design of remuneration and promotion policies. The recruitment methodology ensures that there are right number and appropriate 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. There is a process of sustained recruitment of fresh talent from the leading textile institutes of the country. The HR team at Alok has been successfully driving the Induction programmes to effectively integrate new employees and introduce them to the organization.

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

This is further enhanced by adopting a strong culture of meritocracy. These are 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 firms training programs support its strategic goals. Also training in Alok is a part of larger issue of performance management.

Employee welfare is an integral part of Alok. This includes arranging Festival Celebrations, Women's Day Celebration, Regular get-together and Outings, Concessional meals, etc.

#### Strategic Investments

The Company has made investments in overseas businesses to reach out to new markets and enhance overall value of its business. The outlays in the realty business were also made to maximise returns.

However, most of these investments did not yield the desired outcome and the Company is now actively working on selling its stake and recovering investments made to repay debt.

#### Subsidiaries - Textiles

##### Mileta

Through its step down subsidiary Alok Industries International Limited, Alok has 100% stake in Mileta, a Czech based fabric manufacturing company. Mileta's facilities are located in Horice (Weaving and Administration) and Cerny Dul (Processing) in the Czech Republic.

Mileta has high end technological skill in yarn-dyed fabrics and hemming that results in higher per unit realisations. 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' are being introduced in the Indian domestic market. Alok also uses Mileta's extensive marketing network in Europe, Russia and Africa to promote its existing products.

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The Company's business was under pressure due to competitive environment in Europe. The Company achieved sales of Rs. 159.6 crore and profit after tax of Rs. 6.5 crore for the year ended 31<sup>st</sup> March 2016.



## Subsidiaries - Retail

The company has entered into an MOU to sell its stake in Mileta. If all the requirements of the MOU are satisfactorily met, the transaction is expected to get concluded by March 2017/ June 2017. The proceeds of the same would be used to repay the acquisition debt financed by the banks.

### Store Twenty One: UK Retail

Alok holds 99.87% equity in Grabal Alok (UK) Ltd (Grabal (UK), the company that operates the 'Store Twenty One' chain of value-format stores in UK, through its step down subsidiary Alok Industries International Limited and Grabal Alok International Limited. The chain comprises of about 220 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 continues to affect this business. Grabal (UK) achieved sales of Rs. 882.8 crore and made losses of Rs. 92.10 crore for the year ended 31<sup>st</sup> March 2016. Alok Industries is looking at options to exit this business given the right opportunity.



## 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 position of sale and leasing out of the real estate assets is given in table 15:

**Table 15: Monetisation of real estate assets as on 31 March 2016**

S. No.	Particulars	Location	Type	Area
1	Peninsula Business Park	Lower Parel, Mumbai	IT / ITES	Approx 31542 sq. feet (one floor) Saleble area
2	Ashford Royale (50% stake)	Nahur, Mumbai	Residential Property	Approx 1.1 mn. sq. feet
3	Land at Silvassa	Silvassa	Industrial / Agricultural	Approx 444.27 acres
4	Land at Vapi (50% stake)	Vapi	Residential	Approx 35.52 acres
5	Peninsula Corporate Park	Lower Parel, Mumbai	Commercial Property	Approx 36,068 sq. feet (1.5 floors) Saleble area

During the year, the Company has monetized its Ashford Centre property and the consideration of Rs.62 crores has been utilised for payment of loans taken against the said property thereby reducing high cost consolidated debt. The total loan outstanding debt against non-core assets is Rs.1321 crore and accordingly net realization to Alok would be Rs.379 crore

In case of Peninsula Business Park, there is one floor of 31542 sq. feet yet to be sold as there is a dispute regarding certain payments with the developer. The company has gone in for arbitration and a resolution is awaited. Also, the Company has given mandate for sale of land portfolio to M/s. Jones Lang LaSalle however, looking at the current economic scenario, it will be challenging for the company to realize its plans on this front in a short span of time.

## Consolidated Results

Tables 16, 17, and 18 give the profit and loss highlights, balance sheet highlights and company wise sales of Alok as a consolidated entity



**Table 16: Consolidated Profit and Loss Summary**

(₹ Crore)

	12 Months ended 31 March 2016		18 Months ended 31 March 2015	
	Amount (Rs. In Crore)	% to Sales	Amount (Rs. In Crore)	% to Sales
Net Sales	13,040.90		24,153.06	
Other Income	93.12		467.20	
<b>Total Income</b>	<b>13,134.02</b>		<b>24,620.26</b>	
Material Costs	10,396.16	79.72%	15,897.32	65.82%
People Costs	496.82	3.81%	762.89	3.16%
Other Expenses	4,542.79	34.83%	2,323.50	9.62%
<b>Operating EBITDA</b>	<b>(2,301.75)</b>	<b>-17.65%</b>	<b>5,636.55</b>	<b>23.34%</b>
Depreciation	682.04	5.23%	1,521.78	6.30%
<b>Operating EBIT</b>	<b>(2,983.79)</b>	<b>-22.88%</b>	<b>4,114.77</b>	<b>17.04%</b>
Interest	2,690.54	20.63%	3,512.72	14.54%
<b>Operating PBT</b>	<b>(5,674.33)</b>	<b>-43.51%</b>	<b>602.05</b>	<b>2.49%</b>
Exceptional items	-	0.00%	(131.00)	-0.54%
<b>Profit before Tax</b>	<b>(5,674.33)</b>	<b>-43.51%</b>	<b>471.05</b>	<b>1.95%</b>
Less : Provision for Taxation	(1,895.19)	-14.53%	216.74	0.90%
<b>Profit After Tax</b>	<b>(3,779.14)</b>	<b>-28.98%</b>	<b>254.31</b>	<b>1.05%</b>
Share of profit from associates(net)	4.95		3.95	
<b>Profit After Minority Interest</b>	<b>(3,774.19)</b>		<b>258.26</b>	

**Table 17: Consolidated Balance Sheet Summary**

(Rs. Crore)

Particulars	As at 31.03.2016	As at 31.03.2015
Share Holders Funds	(244.49)	3642.37
Non Current Liabilities	11626.54	12144.79
Current Liabilities	16278.87	14162.57
<b>Total Equity and Liabilities</b>	<b>27660.92</b>	<b>29949.73</b>
Non Current Assets	10684.76	10539.90
Current Assets	16976.16	19409.83
<b>Total Assets</b>	<b>27660.92</b>	<b>29949.73</b>

**Table 18: Company wise sales in total Consolidated Sales**

(Rs. Crore)

Name of the company	12 Months		18 Months	
	31/3/2016		31/3/2015	
	Sales	PAT	Sales	PAT
Alok Industries Limited	11,752.39	-3,722.80	22,130.72	348.76
Alok Infrastructure Limited	123.52	-40.04	355.68	-65.17
Alok International, Inc.	59.75	-44.73	316.11	27.15
Mileta a.s.	159.58	6.48	308.00	18.96
Grabal Alok (UK) Limited	882.76	-92.11	1,390.75	-104.30
Alok Industries International Limited	-	-38.42	-	-942.42
Grabal Alok International Limited	-	-31.06	-	-443.07
Alok World Wide Limited	-	0.35	-	0.94
Alok Global Trading (Middle East) FZE	-	-52.47	-	-0.31
Alok Singapore Pte. Limited	135.87	3.89	821.56	92.47
Alok International (Middle East) FZE	101.34	0.88	591.67	1.90
New City of Bombay Mfg. Mill Limited	90.22	1.80	114.42	3.08
Aurangabad Textiles & Apparel Parks Limited	21.02	0.20	49.17	0.67
Alok Global Singapore Pte.	-	0.08	-	-0.08
Alok Trading Singapore Pte.	-	0.08	-	-0.08
Alok Merchant Singapore Pte.	-	0.08	-	-0.08
Alok Universal Singapore Pte.	-	0.08	-	-0.08
<b>TOTAL</b>	<b>13,326.46</b>	<b>(4,007.72)</b>	<b>26,078.08</b>	<b>(1,061.65)</b>
Effect of elimination entries	-285.57	233.54	-1,925.03	1,319.91
Consolidated (Loss)/Profit	13,040.90	(3,774.19)	24,153.06	258.26

## 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 an initial 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.

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

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recognized as a 'New Generation' CBSE school for its innovative methods and practices.

The School has stepped into its sixth academic year with Class X 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.

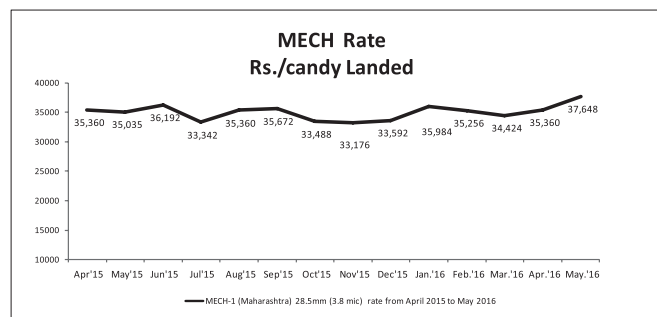
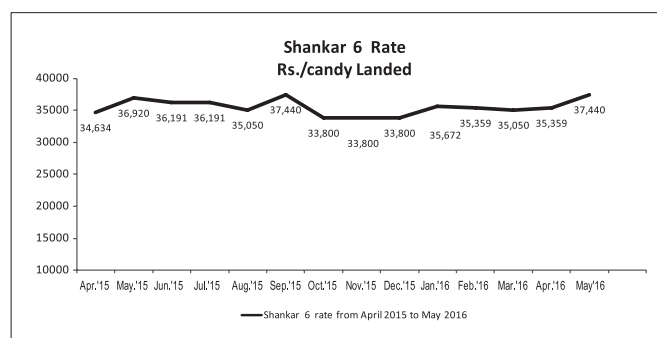
Some of the broad risks that affect the Company are discussed below:

### 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 & MEG. It also buys fabrics from unorganised power loom segment to meet the requirement.

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. As the chart-M below shows cotton prices have stabilised in the last few months and the overall trend over the year under review has been stable with a slight negative trend in 2015-16. However, since March 2016, there has been an increase in prices.

Chart M: Price Movement of Cotton (Shankar 6 & MECH)

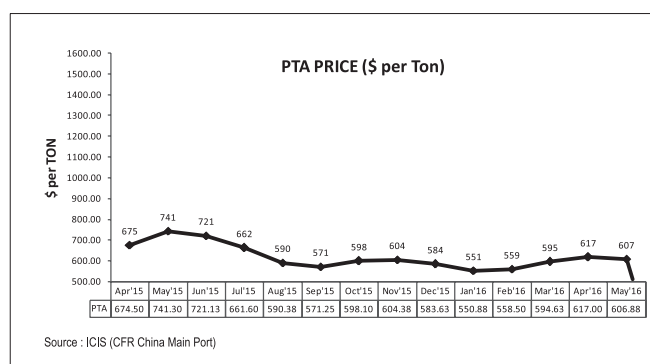


In case of fabric outsourced from power loom for unorganised market, there is inherent risk of carrying large inventory like change in demand preferences, price fluctuations and high carrying cost.

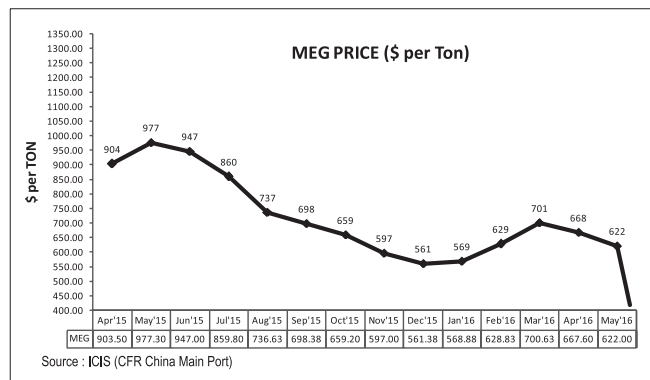
Further, for our polyester yarn operations, PTA and MEG are the major raw materials that are required in manufacturing POY and polyester yarn. Being petrochemical products, prices of PTA and MEG are linked to naphtha prices and ethylene prices, respectively, and fluctuate in line with fluctuations in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

There has been a negative trend in PTA and MEG prices from the middle of the 2014 in line with falling crude prices (see Chart-N). What is important to note that final polyester prices are directly impacted by reducing PTA and MEG prices.

Chart N: Price Movement of PTA & MEG



Source : ICIS (CFR China Main Port)



Source : ICIS (CFR China Main Port)

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 coal & as a fuel. Currently, major portion of our power requirements is sourced from the relevant State Electricity Board at Vapi, Silvassa and Navi Mumbai. We also have power plants at Vapi and Silvassa as a part of our energy requirements for our manufacturing facilities which also serves as our back-up electricity supply. Operation of these power plants, boilers etc. entails certain risks associated with typical such units, 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's products have ready markets both in domestic as well as exports, but it is very competitive. Further, 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.

In case of unorganised domestic market where company sales outsourced fabrics, carries a risk of delayed recovery and potentially turning into bad debts. The company has decided to gradually come out of this market segment and focussed more on its manufactured fabrics which has organised markets and sought by leading brands.

#### 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 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 already made an impact on the business coupled with this; there has been pressure also from rising interest costs. The risks 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 and other general corporate requirements;
- our ability to obtain additional financing in the future or renegotiate or refinance our existing indebtedness on terms favourable 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 is working with the banks on possibilities of working out a long term viable solution for the company.

#### 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 monitors the currency movements regularly and take appropriate measures where needed.

#### Outlook

Alok is well positioned in terms of capacities, capabilities and established relationships to capitalise on market opportunities. While market conditions will be competitive, we see incremental opportunities in both domestic and overseas markets. More than anything presently, the Company's operations are affected due to lack of adequate working capital. The Company is exploring all avenues to infuse working capital, including possibilities of inducing strategic investments and restructuring the business organisation. Success in this front is imperative to stabilise the Company's position. One expects some success on this front and consolidation of business operations in FY2017.

#### Internal Control and Adequacy

The Company has in place well established framework of internal control system, commensurate with the size and complexity of its business. 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 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



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'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

This Corporate Governance Report relating to the year ended March 31, 2016 has been issued in compliance with the requirements of Clause 49 of the Listing Agreement and Regulations 34(3) read with Clause C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms part of the Directors Report to the Members of the Company.

## A. MANDATORY REQUIREMENTS:

### (1) Company's philosophy on Code of Governance

The Company's philosophy on Corporate Governance is to enhance the long term economic value of the Company, sustainable return to its stakeholders i.e. the society at large by adopting best corporate practices in fair and transparent manner by aligning interest of the Company with that of its shareholders/ other key stakeholders.

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.

### (2) Board of Directors

#### 2.1 Composition of the Board:

As on March 31, 2016 the Board of Directors of the Company ("Board") comprises of 11 directors.

The Board has five Executive Directors, of which three are Promoter Directors.

In addition, the Board has six non-executive Directors, consisting of two independent Directors and four are nominees of various financial institutions.

The Company is in the process of inducting independent Directors including a women director on the Board in order to comply with the condition of composition of the Board of Directors pursuant to Section 149 of the Companies Act, 2013 read with Regulations 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (Committees being Audit Committee and Stakeholders Relationship Committee, as per Regulation 26 (1) of the Listing Regulations), across all the Companies in which he/ she is a Director. The necessary disclosures regarding committee positions have been made by all the Directors.

#### 2.2 Board Meetings, Annual General Meeting and Attendance:

The Board of Directors met five times during the period from April 1, 2015 to March 31, 2016 on May 28, 2015, August 13, 2015, December 17, 2015, January 30, 2016 and February 12, 2016. The maximum gap between any two meetings was less than 4 months except one meeting which was earlier scheduled on November 9, 2015 then postponed to December 17, 2015 due to resignation of Statutory Auditors of the Company.

The Annual General Meeting was held on June 26, 2015. The attendance of each Director at the Board Meetings and Annual General Meeting and details of Directorships and Memberships held by them as on March 31, 2016 are given below:

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	Eligible to attend	Attended			Memberships	Chairmanships
1. Mr. Ashok B. Jiwrajka	Promoter, Executive	5	5	5	No	03	-	-
2. Mr. Dilip B. Jiwrajka (Managing Director)	Promoter, Executive	5	5	5	No	04	-	-
3. Mr. Surendra B. Jiwrajka (Joint Managing Director)	Promoter, Executive	5	5	5	No	04	-	-
4. Mr. Ashok G. Rajani <sup>1</sup>	Non- Executive, Independent	5	1	1	No	-	-	-
5. Timothy Ingram <sup>2</sup>	Non- Executive, Independent	5	2	2	No	-	-	-
6. Mrs. Thankom T. Mathew <sup>3</sup> (Nominee of Life Insurance Corporation of India, a Lender.)	Non- Executive, Non-Independent, Nominee	5	2	2	No	02	-	-
7. Mr. Sunil O. Khandelwal	CFO, Executive	5	5	5	No	-	-	-

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	Eligible to attend	Attended			Memberships	Chairmanships
8. Mr. K. H. Gopal	Secretary, Executive	5	5	5	Yes	-	-	-
9. Ms. Lalita Sharma <sup>4</sup> (Nominee of IDBI Bank Limited, a Lender)	Non- Executive, Non-Independent, Nominee	5	3	1	No	-	-	-
10. Mr. Sudhir Garg (Nominee of IFCI Ltd., a Lender)	Non- Executive, Non-Independent, Nominee	5	5	4	No	05	-	-
11. Mr. Surinder Kumar Bhoan	Non- Executive, Independent	5	5	5	Yes	-	-	-
12. Mr. Kamalkshore Jani <sup>5</sup>	Non- Executive, Independent	5	3	3	-	03	-	-
13. Mr. Atanu Sen <sup>6</sup> (Nominee of State Bank of India, a Lender)	Non- Executive, Non-Independent, Nominee	5	3	3	-	04	-	-
14. Mr. Pradeep Kumar Rath <sup>3</sup> (Nominee of Life Insurance Corporation of India, a Lender.)	Non- Executive, Non-Independent, Nominee	5	3	2	-	-	-	-
15. Mr. Rajeev Kumar <sup>4</sup> (Nominee of IDBI Bank Limited, a Lender)	Non- Executive, Non-Independent, Nominee <sup>6</sup>	5	2	2	-	-	-	-

Note:

1. Mr. Ashok G. Rajani, has voluntarily stepped down from the Board due to his other commitments w.e.f August 13, 2015.
2. Mr. Timothy Ingram, has voluntarily stepped down from the Board due to his other commitments w.e.f September 5, 2015.
3. Nomination of Mrs. Thankom T Mathew was withdrawn by Life Insurance Corporation of India w.e.f October 14, 2015 and in her place Mr. Pradeep Kumar Rath was appointed.
4. Nomination of Mrs. Lalita Sharma was withdrawn by IDBI Bank Limited w.e.f December 28, 2015 and in her place Mr. Rajeev Kumar was appointed.
5. Mr. Kamalkishore Jani was appointed as an Additional Non- executive Independent Director for 5 years effective from w.e.f. September 24, 2015.
6. Mr. Atanu Sen was nominated by State Bank of India as its Nominee w.e.f September 24, 2015.

There are no transactions with related parties that may have potential conflict of interest with the Company. Transactions with related parties are disclosed in 'Notes forming part of the Accounts' annexed to the financial statements of the period. There have been no materially relevant pecuniary transactions or relationships between the Company and its non-executive and/or independent Directors during the period April 1, 2015 to March 31, 2016.

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary information and documents (except for the critical price sensitive information, which is circulated separately or placed at the meeting) to enable the Board to take informed decisions. In addition, for any business exigencies, the resolutions are passed by circulation and later placed at the subsequent Board/Committee Meeting for ratification/ approval. 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.

### 2.3 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, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

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 CEOs 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.

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As required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a policy on familiarisation programme for Independent Directors. The Policy is available on the website, [www.alokind.com](http://www.alokind.com/Downloads/Policy%20on%20Familiarization%20Programe%20of%20Independent%20Director.pdf). (Weblink: <http://www.alokind.com/Downloads/Policy%20on%20Familiarization%20Programe%20of%20Independent%20Director.pdf>)

## 2.4 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 [www.alokind.com](http://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).

## 2.5 Details of equity shares of the Company held by the Non Executive Directors as on March 31, 2016 are given below:

Name of the Directors	Category	No. of equity shares held
Mr. Sudhir Garg	Non- Executive, Non-Independent	Nil
Mr. Surinder Kumar Bhoan	Non- Executive, Independent	Nil
Mr. Kamalkishore Jani	Non- Executive, Independent	15,000
Mr. Atanu Sen	Non- Executive, Non-Independent	Nil
Mr. Pradeep Kumar Rath	Non- Executive, Non-Independent	Nil
Mr. Rajeev Kumar	Non- Executive, Non-Independent	Nil

## 3. Board Committees

The Board of Directors have constituted the following Committees:

- Audit Committee
- Stakeholder's Relationship Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee.
- Executive Committee

The composition, terms of reference, attendance and other details of these Committees are mentioned later in this Report.

### (a) Audit Committee

The Audit Committee comprises of Mr. Surinder Kumar Bhoan, Mr. Kamalkishore Jani and Mr. Rajeev Kumar.

Mr. Surinder Kumar Bhoan and Mr. Kamalkishore Jani are Independent Directors of the Company. All the members of the Audit Committee have accounting and financial management expertise.

As per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Nominee Directors are no more considered as the Independent Directors. As per SEBI LODR the audit committee should have minimum three directors as members out of whom two-thirds of the members should be independent directors. In order to align with the said Regulations, the constitution of the Audit Committee is reconstituted at the beginning of the year.

The Committee met four times during the period from April 1, 2015 to March 31, 2016 on May 28, 2015, August 13, 2015, December 17, 2015 and February 12, 2016. The attendances of the Directors at these Audit Committee meetings are given below.

Name of the Directors	Category	No. of Meetings		
		Held	Eligible to attend	Attended
1. Mr. Surinder Kumar Bhoan Chairman	Non- Executive, Independent	04	04	04
2. Mr. Timothy Ingram <sup>1</sup>	Non- Executive, Independent	04	02	02
3. Ms. Lalita Sharma <sup>3</sup> (Nominee of IDBI Bank Ltd.)	Non- Executive, Non-Independent, Nominee	04	03	01
4. Mr. Kamalkishore Jani <sup>2</sup>	Non- Executive, Independent	04	02	02
5. Mr. Surendra B. Jiwrajka <sup>3 &amp; 4</sup>	Promoter, Executive	04	-	-
6. Mr. Rajeev Kumar <sup>4</sup> (Nominee of IDBI Bank Ltd.)	Non- Executive, Non-Independent, Nominee	04	01	01

Note :

- Mr. Timothy Ingram has voluntarily stepped down from the Audit Committee due to his other commitments w.e.f September 5, 2015.
- Mr. Kamalkishore Jani was inducted as a Member of the Audit Committee w.e.f December 17, 2015.
- Mr. Surendra B. Jiwrajka was inducted as a Member of the Audit Committee in place of Mrs. Lalita Sharma w.e.f December 28, 2015.
- Mr. Rajeev Kumar was inducted as a Member of the Audit Committee in place of Mr. Surendra B. Jiwrajka w.e.f January 30, 2016.

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 terms of references of this Committee are wide enough covering the matters specified for Audit Committee under earlier Clause 49 of the Listing Agreement/ Regulation 18 read with Part C of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

**(b) Stakeholders' Relationship Committee:**

The Share Transfer and Investor Grievance Committee was constituted on June 25, 1994 and renamed as Stakeholders' Relationship Committee on May 28, 2015 to comply with the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Stakeholder's Relationship Committee comprises of Mr. Surinder Kumar Bhoan, Mr. Ashok B. Jiwrajka, Mr. Dilip B. Jiwrajka and Mr. Surendra B. Jiwrajka. Minutes of the Stakeholders' Relationship Committee meetings are circulated to all Directors and discussed at Board meetings.

The Committee met 3 times during the period from April 1, 2015 to March 31, 2016 i.e. on August 6, 2015, September 14, 2015 and March 25, 2016. The attendance of the Directors at these Committee meetings are given below.

Name of the Directors	Category	No. of Meetings		
		Held	Eligible to attend	Attended
1. Mr. Ashok G. Rajani <sup>1</sup>	Non- Executive, Independent	03	01	01
2. Mr. Surinder Kumar Bhoan <sup>1</sup> (Chairman)	Non- Executive, Independent	03	02	02
3. Mr. Ashok B. Jiwrajka	Promoter, Executive	03	03	03
4. Mr. Dilip B. Jiwrajka	Promoter, Executive	03	03	03
5. Mr. Surendra B. Jiwrajka	Promoter, Executive	03	03	03

Note :

1. Mr. Surinder Kumar Bhoan, was inducted as the Member and Chairman of the Stakeholders Relationship Committee in place of Mr. Ashok Rajani w.e.f. August, 13 2015.

Mr. K. H. Gopal, Executive Director and Secretary is the Compliance Officer of the Company.

The Company's Registrar Link Intime India Private Limited had received 61 letters/ requests during the year, dealing with various subjects such as revalidation/ non receipt of dividend warrants, change of address, registration of nominations, non receipt of share certificates etc. All these matters were resolved to the satisfaction of the shareholders/ investors except 3 matters.

The Company has no transfer pending at the close of the financial year.

**(c) Nomination and Remuneration Committee:**

The Remuneration Committee was reconstituted and renamed as Nomination and Remuneration Committee on May 28, 2015 to comply with the provisions of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee comprises Mr. Kamalkishore Jani, Mr. Surinder Kumar Bhoan and Mr. Sudhir Garg all of whom are non executive directors.

The Committee met on September 24, 2015 the attendance of the Directors at these Committee meetings are given below.

Name of the Directors	Category	No. of Meetings		
		Held	Eligible to attend	Attended
1. Mr. Kamalkishore Jani <sup>4</sup> (Chairman)	Non- Executive, Independent	01	-	-
2. Mr. Surinder Kumar Bhoan <sup>1</sup>	Non- Executive, Independent	01	01	01
3. Mr. Ashok Rajani <sup>2</sup>	Non- Executive, Independent	01	-	-
4. Mr. Timothy Ingram <sup>3</sup>	Non- Executive, Independent	01	-	-
5. Mr. Sudhir Garg	Non- Executive, Non-Independent, Nominee	01	01	01
6. Mr. Dilip B. Jiwrajka <sup>4</sup>	Promoter, Executive	01	01	01

Note :

1. Mr. Surinder Kumar Bhoan was inducted as the Member of the Committee Nomination and Remuneration Committee w.e.f. May 28, 2015.

2. Mr. Ashok G. Rajani, has voluntarily stepped down from the Committee Nomination and Remuneration Committee due to other commitments w.e.f August 13, 2015.

3. Mr. Timothy Ingram, has voluntarily stepped down from the Committee Nomination and Remuneration Committee due to other commitments w.e.f September 5, 2015.



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4. Mr. Kamalkishore Jani was inducted as the Member and Chairman of the Committee Nomination and Remuneration Committee w.e.f December 17, 2015.
5. Mr. Dilip Jiwrajka has stepped down from the Nomination and Remuneration Committee pursuant to the provisions of SEBI (LODR) Regulations, 2015 w.e.f December 17, 2015.

The terms of references of this Committee are in line with the requirements of the matters specified under earlier Clause 49 of the Listing Agreement/ Regulation 19 read with Part D of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013. The Committee is also authorised to administer the Employees Stock Option Plans of the Company.

## Remuneration Policy

The remuneration policy of the Company is performance driven and is designed to motivate employees, recognise their achievement and promote excellence in performance.

### (i) For Executive Directors

The Board of Director/ Nomination and Remuneration Committee of Directors is authorised to decide the remuneration of the Whole time Directors, subject to approval of the Members and Central Government, if required. The remuneration structure 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.

### (ii) For Non-Executive Directors

Non-Executive Directors are entitled for only sitting fees of Rs. 20,000 for every Board Meeting attended by them which includes Board level committee meetings also. They are also entitled for reimbursement of expenses incurred in relation to attending the Board / Committee Meetings. The Non- Executive Independent Directors do not have any material pecuniary relationship or transaction with the Company.

Pursuant to the provisions of the Companies Act, 2013 and Regulations 17 & 19 read with part D of Schedule II to the SEBI LODR, the Board has carried out an evaluation of the Directors as well as the evaluation of the Board and Committees. The process was carried out by evaluating the Board and Committees' functioning on certain parameters set out in the Performance Evaluation Policy adopted by the Board.

The Performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the non-Independent Directors including the Executive Directors was carried out by the Independent Directors.

The details of remuneration/ sitting fees paid to the Directors of the Company during the financial year April 1, 2015 to March 31, 2016 are given below.

Name of the Director	Sitting Fees	Salary and Perquisites	Commission	Total
Mr. Ashok B. Jiwrajka	-	1,47,00,000	-	1,47,00,000
Mr. Dilip B. Jiwrajka	-	1,47,00,000	-	1,47,00,000
Mr. Surendra B. Jiwrajka	-	1,47,00,000	-	1,47,00,000
Mr. Ashok G. Rajani *	20,000	-	-	20,000
Mr. Timothy Ingram *	-	-	-	-
Mrs. Thankom T. Mathew	40,000	-	-	40,000
Mr. Sunil O. Khandelwal	-	1,22,53,846	-	1,22,53,846
Mr. K. H. Gopal	-	1,18,92,599	-	1,18,92,599
Mrs. Lalita Sharma *	20,000	-	-	20,000
Mr. Sudhir Garg	80,000	-	-	80,000
Mr. S. K. Bhoan	1,00,000	-	-	1,00,000
Mr. Kamalkishore Jani *	60,000	-	-	60,000
Mr. Atanu Sen *	60,000	-	-	60,000
Mr. Pradeep Kumar Rath *	40,000	-	-	40,000
Mr. Rajeev Kumar *	40,000	-	-	40,000

\* For part of the year

Notes:

1. The agreement with each of the Executive Directors is for period of 5 years. The Whole time Directors are entitled to claim other benefits and perquisites mentioned in the respective Agreements. Either party to the agreement is entitled to terminate the agreement by giving not less than six months' notice in writing to the other party.
2. No severance pay is payable on termination of contract.
3. Presently, the Company does not have a scheme of grant of stock options or performance linked incentives for its Promoter Directors.

**(d) 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 Committee met twice on May 28, 2015 and February 12, 2016, which was attended by all the members of the Committee.

**(e) 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 45 times during the period from April 1, 2015 to March 31, 2016. 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.

**(f) Independent Directors’ Meeting**

As required by Clause 49 of the Listing Agreement/ SEBI LODR, the Independent Directors met once on February 12, 2016 during the year ended March 31, 2016, which was attended by all the Independent Directors of the Company.

The Independent Directors discussed/ reviewed the matters specified in earlier Clause 49 of the Listing Agreement/ Regulation 25(4) of the SEBI LODR.

**4. Material Subsidiary Companies**

SEBI LODR defines a “material subsidiary” means a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed company and its subsidiaries in the immediately preceding accounting year.

Under this definition, the Company does not have a ‘material subsidiary. However as required under SEBI LODR, the Company has formulated the Material Subsidiary policy which has been displayed on its website, [www.alokind.com](http://www.alokind.com).

**5. Whistle-Blower Policy:**

As required by earlier Clause 49 of the Listing Agreement/ Regulation 4 (2) of SEBI LODR, the Company has formulated Whistle Blower Policy which has been displayed on its website, [www.alokind.com](http://www.alokind.com).

Adequate safeguards have been provided against victimization of persons who use the vigil mechanism. All persons have been given direct access to the Chairman of the Audit Committee to lodge their grievances. No personnel have been denied access to the Audit Committee.

**6. Code of Conduct for Prevention of Insider Trading**

As required by the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading which inter-alia, prohibits purchase or sale of securities of the Company by Directors and employees while in possession on unpublished price sensitive information relating to the Company. Mr. K.H. Gopal, Executive Director & Secretary, is the Compliance Officer

**7. General Body Meetings**

7.1 Particulars of last three Annual General Meetings are given below:

Financial year	Date	Time	Venue	Special Resolutions passed
2011-12 (12 months period ended)	August 14, 2012	12.00 noon	Survey Nos.17/5/1 & 521/1, Village Rakholi/ Saily, Silvassa -396230, Union Territory of Dadra and Nagar Haveli.	<ol style="list-style-type: none"> <li>1. Extend the benefits of company's employee stock option scheme,2010 to the employees and directors of the subsidiary companies;</li> <li>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;</li> <li>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.</li> </ol>
April 1, 2012 to September 30, 2013 (18 months period ended)	December 27, 2013	12.00 noon	Survey Nos.17/5/1 & 521/1, Village Rakholi/ Saily, Silvassa -396230, Union Territory of Dadra and Nagar Haveli.	<ol style="list-style-type: none"> <li>1. Re-appointment of three Whole-time Directors of the Company;</li> <li>2. Authorising the Board to borrow money in excess of paid-up capital and free reserves of the Company;</li> <li>3. Authorising the Board of Directors to create charge/ mortgage on the assets of the Company;</li> <li>4. Appointment of Mr. Sunil O. Khandelwal as Executive Director and CFO for a period of 5 years;</li> <li>5. Appointment of Mr. K.H. Gopal as Executive Director and Secretary for a period of 5 years.</li> </ol>

# FAITH FOCUS COMMITMENT

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Financial year	Date	Time	Venue	Special Resolutions passed
01.10.2013 to 31.03.2015 (18 months period ended)	June 26, 2015	12.00 noon	Alok Public School, Alok City, Silvassa-Khanvel Road, Silvassa -396230, Union Territory of Dadra and Nagar Haveli.	There was no matter that required passing of Special Resolution.

## 7.2 Special Resolutions:

All the resolutions set out in the respective Notices were passed by the Shareholders.

At the ensuing Annual General Meeting, there are no Special Resolutions for which the SEBI LODR or the Companies Act/ Rules has recommended/ mandated postal ballot.

## 7.3 Postal Ballot

No resolutions were passed by Postal Ballot in any of the previous three Annual General Meetings.

## 8. Means of Communication

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](http://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' in English, all Mumbai editions and in 'Western Times', Gandhinagar edition and are also posted on its website. The audited financial results for the year ended March 31, 2015 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.

The Annual Report which includes inter alia, the Directors' Report, Management Discussion and Analysis and report of the Corporate Governance is the another channel of communication to the Shareholder.

## 9. General Shareholder Information

### 9.1 Date, Time and Venue of the Annual General Meeting:

The 29<sup>th</sup> Annual General Meeting of the Company will be held on Saturday, September 24, 2016 at 12 noon at Alok Public School, Alok City, Silvassa-Khanvel Road, Silvassa-396230

### 9.2 Financial Calendar

Financial year: April 1, 2015 to March 31, 2016

For the period ended March 31, 2016, results were announced for:

First quarter : Reviewed	August 13, 2015
Second quarter: Reviewed	December 17, 2015
Third quarter: Reviewed	February 12, 2016
Fourth quarter and annual: Audited	May 30, 2016

For the period ending March 31, 2017, results will be announced by (Tentative):

First quarter : Reviewed	on or before September, 2016
Second quarter: Reviewed	on or before October, 2016
Third quarter: Reviewed	on or before January, 2017
Fourth quarter and annual: Audited	On or before May, 2017

### 9.3 Book Closure

The books will be closed from September 17, 2016 to September 24, 2016 (both days inclusive) as annual closure for the Annual General Meeting.

### 9.4 Dividend Payment Date

No dividend was declared by the Company for the financial year 2015-16.

### 9.4 Electronic Voting

Pursuant to Section 108 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and other applicable requirements, voting at the 29<sup>th</sup> Annual General Meeting will be made through electronic voting. The electronic voting period will be from 10.00 a.m. on September 21, 2016 to 5.00 p.m. on September 23, 2016, both days inclusive.

No special resolution is proposed to be conducted through postal ballot or electronic voting.

**Scrutiniser for electronic voting:** Mr. Virendra Bhatt, Practicing Company Secretaries (Membership No.ACS 1157 and C.P.No.124) has been appointed as the Scrutiniser to scrutinise the electronic voting process in a fair and transparent manner and to give his report to the Chairman.

### 9.5 Listing on Stock Exchanges:

The Equity shares of the Company are listed with the following stock exchanges:

- a) BSE Limited  
(Stock Code: 521070)  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001
- b) National Stock Exchange of India Limited  
(Stock Code: ALOKTEXTEQ)  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No.C/1, G Block, Bandra-Kurla Complex,  
Bandra (E), Mumbai 400 051

For Dematerialisation of Equity Shares of the Company of face value of Rs.10/- each, the ISIN No. allotted to the Company is INE 270A01011.

Annual Listing Fees have been paid upto March 31, 2016 and all requirements of the stock exchanges where the shares of the Company are listed, including submission of quarterly reports and certificates, were complied with.

Details of Non-Convertible Debentures (NCDs) are listed BSE Limited are as follows.

Sr. No.	Particulars	No. of NCDs	Amount (in Crore)	Stock Code (BSE)	ISIN NO.	Premature redemption (Rs. in Crore)	Balance as on March 31,2016 (Rs. in Crore)
1	1140 – 12.50% Secured Redeemable NCDs of Rs.10,00,000/- each aggregating to Rs.23 crores issued and allotted on June 29, 2010 on private placement basis.	190	19.00	ALOK290610B	INE270A07471	19.00	0.00
		40	4.00	ALOK290610C	INE270A07489	4.00	0.00
2	560 – 11.50% Secured Redeemable NCDs of Rs.10,00,000/- each aggregating to Rs.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 RS.10,00,000/- each aggregating to Rs.100 Crores issued and allotted on October 20, 2010 on private placement basis.	334	33.40	ALOK201010A	INE270A09014	--	33.40
		333	33.30	ALOK201010B	INE270A09022	--	33.30
		333	33.30	ALOK201010C	INE270A09030	--	33.30
4	1100– 14.50% Secured NCDs of Rs.10,00,000/- each aggregating to Rs.110 crores issued and allotted on March 04, 2011 on private placement basis are to be listed with BSE.	370	37.00	ALOK4311A	INE270A07521	37.00	0.00
		370	37.00	ALOK4311B	INE270A07539	---	37.00
		360	36.00	ALOK4311C	INE270A07547	---	36.00
5	3000 – 12.00% Secured Redeemable NCDs of Rs.10,00,000/- each aggregating to Rs.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	5890	589.00			60.00	529.00

# FAITH FOCUS COMMITMENT

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## 9.6 Market Price Data

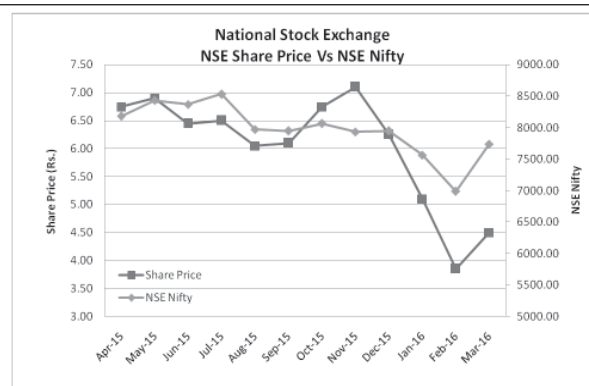
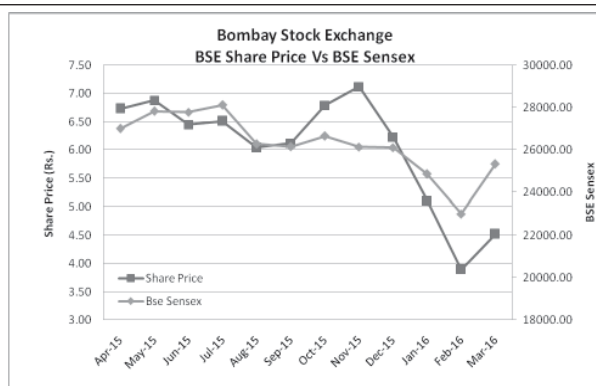
Monthly High and Low and the performance of the Company's share price vis-à-vis BSE Sensex and NSE Nifty is given below.

**High, lows and volumes of company's shares for the period April 1, 2015 to March 31, 2016 at BSE and NSE**

Month	BSE (in Rs. per share)		Monthly Volume (in Nos)	NSE (in Rs. Per share)		Monthly Volume (in Nos)
	High	Low		High	Low	
April-15	9.05	6.60	24974115	9.05	6.60	107974735
May-15	7.64	6.32	21942968	7.65	6.30	90344974
June-15	7.18	5.75	24551029	7.20	5.75	91321011
July-15	7.57	6.20	25822912	7.60	6.20	114153418
August-15	8.63	5.15	40096088	8.65	5.60	175609580
Sept-15	6.55	5.76	13355915	6.55	5.75	61331178
Oct -15	7.61	6.16	22530053	7.60	6.15	87918691
Nov-15	7.59	6.30	21973621	7.60	6.35	76902805
Dec- 15	7.42	6.10	30374643	7.40	6.10	142624322
Jan-16	6.90	5.05	33056354	6.90	5.00	119051282
Feb-16	5.27	3.76	26948915	5.25	3.75	74169449
March-16	5.78	3.86	57649961	5.80	3.85	170831460

Source: BSE & NSE Website.

Graphs showing comparison of Share Prices Vs BSE Sensex / NSE Nifty are given below.



## 9.7 Distribution of Shareholding as on March 31, 2016.

Shareholding Class	No of shares held	% of total shares held	No of shareholders	% of total shareholders
Upto 500	27326268	1.98	125321	56.17
501 to 1,000	33154478	2.41	37594	16.85
1,001 to 2,000	38132042	2.77	23365	10.48
2,001 to 3,000	25174229	1.83	9492	4.25
3,001 to 4,000	18972277	1.38	5164	2.31
4,001 to 5,000	26389881	1.91	5458	2.45
5,001 to 10,000	65552100	4.76	8440	3.78
10,001 and above	1142616620	82.96	8278	3.71
<b>TOTAL</b>	<b>1377317895</b>	<b>100.00</b>	<b>223112</b>	<b>100.00</b>

### 9.8 Shareholding Pattern by ownership as on March 31, 2016.

CATEGORY	As on March 31, 2016	
	Total No. of Shares	Percentage (%)
<b>A. Promoter's Holding</b>		
Promoters		
Indian Promoters	509949925	37.02
Foreign Promoters	Nil	Nil
Persons acting in Concert	Nil	Nil
<b>TOTAL (A)</b>	<b>509949925</b>	<b>37.02</b>
<b>B. Non Promoter's Holding</b>		
1. Institutional Investors		
a. Mutual Funds and UTI	12830	0.00
b. Banks, Financial Institutions, Insurance Companies/Central Governments/ State Governments	91514015	6.65
c. FIIs	35061199	2.55
<b>TOTAL (B1)</b>	<b>126588044</b>	<b>9.20</b>
2. Others		
• Private Corporate Bodies	113954148	8.28
• Indian Public	517939470	37.60
• NRIs/OCBs	26306480	1.91
• Foreign Portfolio Investors/HUF	68053428	4.94
• Clearing Members/Market Maker	14512900	1.05
• Trusts	13500	0.00
<b>TOTAL (B2)</b>	<b>740779926</b>	<b>53.78</b>
<b>TOTAL B (B1+B2)</b>	<b>867367970</b>	<b>62.96</b>
<b>GRAND TOTAL (A+B)</b>	<b>1377317895</b>	<b>100.00</b>

### 9.9 Registrar and Share Transfer Agent

The share management work, both physical and demat, is being handled by the Registrar and Share Transfer Agent of the Company, whose name and address is given below:

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

### 9.10 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.

### 9.11 De-materilisation of Shares and Liquidity

As on March 31, 2016, over 99.81% shares of the company were held in de-materialised form.

### 9.12 Pledge of Shares

As on March 31, 2016, 94.18% of the promoters' holding have been pledged with FIIs, MFs and other lenders as part of loan conditions. This represents a sum total of 48,02,55,768 equity shares (34.87 % of the total equity of the Company).

### 9.13 Outstanding GDRs/ADRs/Warrants

The Company has not issued GDRs/ ADRs/Warrants during the period from April 1, 2015 to March 31, 2016.

### 9.14 Details of Public Funding Obtained in the last three years

#### April 1, 2012- September 30, 2013

On May 8, 2013, the Company issued and allotted 55,08,46,238 Equity Shares of Rs. 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 137,71,15,595 Equity Shares of Rs. 10.00 each.



# FAITH FOCUS COMMITMENT

29<sup>th</sup> Annual Report | 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016

## October 1, 2013- March 31, 2015

On November 13, 2014 the Company issued and allotted 2,02,300 Equity Shares of Rs. 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 137,73,17,895 Equity Shares of Rs. 10.00 each.

## April 1, 2015 to March 31, 2016

There have been no public issues, rights issues or other public offerings during the year under review.

### 9.15 Details of public funding obtained during the last four years and its implication on paid up Equity Share Capital

Financial Year	Amount Raised through Public Funding	Effect on Paid up equity Share Capital
April 1, 2012 - September 30, 2013	55,08,46,238 Equity Shares of Rs. 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 137,71,15,595 Equity Shares of Rs. 10.00 each
October 1, 2013 - March 31, 2015	2,02,300 Equity Shares of Rs. 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 137,73,17,895 Equity Shares of Rs. 10.00 each
April 1, 2015 - March 31, 2016	NIL: There have been no public issues, rights issues or other public offerings during the year under review.	-

### 10. Disclosures:

- There were no transactions of material nature with its promoters, the Directors or the Management, their subsidiaries or relatives, etc. That may have potential conflict with the interest of the Company at large.  
The Board has granted omnibus approval for certain related party transactions. The same are reviewed on a quarterly basis by the Audit Committee. Transactions with related parties have also been disclosed in Note No.32 of the Financial Statements.  
Policy on transactions with related parties has been displayed on the Company's website [www.alokind.com](http://www.alokind.com).
- There were no instances of non compliances nor were any penalties, strictures imposed by Stock Exchanges or SEBI or any other statutory authority during the last three years on any matter related to the capital markets, except penalty imposed by Stock Exchanges for non submission of second quarter results on due date.
- The Company has also complied with and adopted the mandatory requirements of Clause 49 of the Listing Agreement/ SEBI LODR.
- In line with the requirements of the Clause 49 of the Listing Agreement/ Regulation 17 (9) of the SEBI LODR, the Audit Committee and the Board of Directors reviewed the Management's perception of the risks facing the Company and measures taken to minimise the same. The Company has also formulated a policy on foreign exchange risk and hedging activities.
- The Management Discussion and Analysis Report forms a part of the Director's Report.
- No presentations were made to institutional investors and analyst during the year.
- None of the other Directors have any relationships inter-se, except Mr. Ashok B. Jiwrajka, Mr. Dilip B. Jiwrajka and Mr. Surendra B. Jiwrajka, who are brothers.
- As required by Regulation 17 (8) of the SEBI LODR, the Managing Director and the Chief Financial Officer have submitted a Certificate to the Board of Directors in the prescribed format for the financial year ended 31<sup>st</sup> March, 2016. The Certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors.

### B. NON MANDATORY REQUIREMENTS

#### a) Chairman of the Board:

Whether Chairman of the Board is entitled to maintain a Chairman's Office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties:

:Yes

#### b) Shareholders Rights:

Half yearly declaration of financial performance including summary of the significant events in last six months to be sent to each household of shareholders:

The Company's half yearly results are published in English and Gujarati newspapers having wide circulation and are also displayed on the Company's website. Hence, same are not sent to the shareholders.

The audited results for the financial year are communicated to the shareholders through the Annual Report.

#### c) Audit Qualifications:

The Auditors have issued a qualified opinion for the year ended 31<sup>st</sup> March, 2016.

#### d) Separate post of Chairman and CEO

Separate persons have been appointed to the post of Chairman and Managing Director.

**e) Reporting of Internal Auditor**

The internal Auditors directly reports to the Audit Committee.

**Plant Locations**

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

**Investor Correspondence Address**

For shares held in physical form	For shares held in dematerialised form	
<b>Link Intime India Private Limited</b> 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: <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>	<b>National Securities Depository Limited</b> Trade World, 4 <sup>th</sup> Floor Kamala Mills Compound Senapati Bapat Marg Lower Parel, Mumbai 400013 Tel.: +91-22-2499 4200 Fax: +91-22-2497 2993 E-mail: <a href="mailto:info@nsdl.co.in">info@nsdl.co.in</a> Website: <a href="http://www.nsdl.co.in">www.nsdl.co.in</a>	<b>Central Depository Services (India) Limited</b> Phiroze Jeejeebhoy Towers 17 <sup>th</sup> Floor, Dalal Street Mumbai 400 023 Tel.: +91-22-2272 3333 Fax: +91-22-2272 3199 E-mail: <a href="mailto:investor@cdslindia.com">investor@cdslindia.com</a> Website: <a href="http://www.cdslindia.com">www.cdslindia.com</a>

**COMPLIANCE OFFICER FOR INVESTOR REDRESSAL**

**K.H. Gopal**

Executive Director & Secretary  
 Alok Industries Limited  
 Peninsula Business Park,  
 Tower-B, 2<sup>nd</sup> & 3<sup>rd</sup> Floor  
 GK Marg, Lower Parel  
 Mumbai 400013  
 E-mail: [gopal@alokind.com](mailto:gopal@alokind.com)  
 Website: [www.alokind.com](http://www.alokind.com).

**For and on behalf of Board of Directors  
 of Alok Industries Limited**

**K.H. GOPAL**

**Executive Director & Secretary**

# Auditor's Certificate on compliance of conditions of Corporate Governance

To

The Members of ALOK INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by **Alok Industries Limited** ("the Company"), for the year ended on 31st March, 2016, as stipulated in Clause 49 of the Listing Agreements ("Listing Agreement") of the Company with the Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India ("Listing Obligations and Disclosure Requirements") Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulation for the Period 1st December, 2015 to 31st March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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 with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreements / Listing Regulation except for :

1. Clause 49(II)(A)(1) of Listing Agreement and Regulation 17(1)(b) of Listing Regulations which requires that the Company should have requisite number of Independent Directors on its Board.
2. Clause 49(II)(A)(1) of Listing Agreement and Regulation 17(1)(b) of Listing Regulations which requires appointment of a Women Director on the Board.
3. Clause 49(II)(B)(6) Listing Agreement and Regulation 25(3) of Listing Regulations which requires a separate Meeting of Independent Directors.
4. Regulation 17(2) of Listing Regulations which requires time period between two Board meetings not to exceed one hundred and twenty days. In case of the Board meetings held on 13th August, 2015 and 17th December, 2015 this period was exceeded.
5. Regulation 18(2)(a) of Listing Regulations which requires time period between two Audit Committee meetings not to exceed one hundred and twenty days. In case of the Audit Committee meetings held on 13th August, 2015 and 17th December, 2015 this period was exceeded.

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

For **SHAH GUPTA & CO.**  
Chartered Accountants  
Firm Registration No.: 109574W

For **NBS & CO**  
Chartered Accountants  
Firm Registration No. 110100W

D. V. Ballal  
Partner  
M. No. 13107  
Place : Mumbai  
Date : May 30, 2016

N. B. Shetty  
Partner  
M. No. 16718  
Place : Mumbai  
Date : May 30, 2016

# Certification by Joint Managing Director and Chief Financial Officer

We, Surendra B. Jiwrajka, Joint 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 April 1, 2015 to March 31, 2016 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 April 1, 2015 to March 31, 2016 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 April, 2015 to 31 March, 2016;
  - (ii) significant changes in accounting policies during the period from 1 April, 2015 to 31 March, 2016 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 30, 2016

**Surendra B. Jiwrajka**  
Joint 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 April 1, 2015 to March 31, 2016.

Place : Mumbai  
Date : May 30, 2016

**Surendra B. Jiwrajka**  
Joint Managing Director

# Independent Auditors' Report

## To the Members of Alok Industries Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Alok Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143(11) of the Act.

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's

Directors, 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 on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its losses and its cash flows for the year ended on that date.

### Emphasis of Matters

We draw attention to the following matters in the Notes to the Financial Statements:

- i. Note No. 28 of the Standalone Financial Statements regarding certain events / conditions which could possibly impact the going concern assumption of the Company. In view of the invocation of 'Strategic Debt Restructuring' (SDR) pursuant to Reserve Bank of India guidelines, the Company has presented these financial statements on going concern basis.
- ii. Note No.29 of the Standalone Financial Statements regarding recognition of net deferred tax asset of Rs. 1,051.85 crores on the basis of concrete measures taken by the Company for ramping up operations and enhancing operating efficiency, the company is virtually certain that there would be sufficient taxable income in future to offset the deferred tax asset considering timely infusion of working capital, running order book position, reliability of raw material supply and the technical viability report prepared by recognized industry experts.
- iii. Note No. 31 of the Standalone Financial Statements regarding realisable value of current assets and non-current assets after necessary provisions/write offs. In absence of technical and costing evaluation of these assets, impact of impairment, if any, on their economic value could not be ascertained.

Our Report is not qualified in respect of the above matters.

### Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act;
- (e) The matter described under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on functioning of the Company and on the amounts disclosed in financial statement of the Company;
- (f) On the basis of the written representations received from the directors as on March 31, 2016 and taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March, 2016 from being reappointed as a director in terms of Section 164(2) of the Act except the two directors retiring by rotation at the ensuing Annual General Meeting of the Company render themselves ineligible for reappointment in terms of Section 164(2) of the Act. We also draw attention to Note No. 44 of the Standalone Financial Statements regarding legal advice on the issue, according to which other directors can continue to function in that capacity;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed impact of the pending litigation on its financial position in its financial statements (Refer Note 26 to the Standalone Financial Statements);
  - ii. The Company did not have any outstanding long-term contracts including derivative contracts as at March 31, 2016 for which there were any material foreseeable losses; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **SHAH GUPTA & CO.**  
Chartered Accountants  
Firm Registration No.: 109574W

**D. V. Ballal**  
Partner  
M. No. 13107

Place : Mumbai  
Date : May 30, 2016

For **NBS & Co.**  
Chartered Accountants  
Firm Registration No. 110100W

**N. B. Shetty**  
Partner  
M. No. 16718

Place : Mumbai  
Date : May 30, 2016



# Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the 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 year, 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) According to the information and explanations given to us, the records examined by us and based on the examination of mortgage deeds provided to us, we report that, the title deeds of all immovable properties of land and buildings which are freehold are held in the name of the Company as at balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the standalone financial statements, the lease agreements are in the name of the Company.
- ii. The inventory, except goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with the third parties at the year end, written confirmations were substantially available. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.
- iii. According to the information and explanations given to us, the Company has granted unsecured loans to its eight wholly owned subsidiaries covered under Section 189 of the Act.
  - (a) As per information and explanation given to us, the terms and conditions on which loan have been granted to wholly owned subsidiaries covered under Section 189 of the Act is not, prima facie, prejudicial to the interest of the Company.
  - (b) As per the information and explanation given to us, the loans given by the Company do not carry any interest. The schedule of repayment of principal has been stipulated and according to which no amount was due during the year.
- (c) There are no overdue amount of more than 90 days in respect of loan granted to the parties listed in the register maintained under Section 189 of the Act.
- iv. In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the provisions of Clause 3(v) of the Order is not applicable to the Company. 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.
- vi. According to the information and explanations given to us the Company has maintained books of accounts and other records pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act relating to manufacture of Woven graige fabric, woven processed fabric, spinning and polyester. We have broadly reviewed the cost records maintained by the Company and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there have been several delays by the Company during the year in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of customs, duty of excise and Value Added tax and other statutory dues with the appropriate authorities.

According to the information and explanations given to us the undisputed amounts payable in respect of Income-tax, and other statutory dues in arrears as at March 31, 2016 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 (Rs. in Crores)	Period to which the amount Relates	Due Date
Income Tax Act, 1961	Corporate Dividend Tax and interest	8.86	A.Y. 2014-15	January 10, 2014
Income Tax Act, 1961	Withholding tax	5.83	F.Y. 2015-16	Various dates upto 30th September, 2015
Income Tax Act, 1961	Tax and Interest	16.60	A.Y. 2014-15	Various dates upto March 31, 2014

- b) According to the records of the Company, there are no dues in respect of Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise and Value Added Tax that have not been deposited as on March 31, 2016 on account of disputes, other than as follows:

Name of the Statute	Nature of Dues	Amount Involved (Rs. in Crores)	Period to which the amount Relates	Due Date
Income Tax Act, 1961	Tax demands	6.18	A.Y. 2006 - 07 to 2008-09 and A.Y. 2010-11 to A.Y. 2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Tax demands	2.03	A.Y. 2013-14	Deputy Commissioner of Income Tax
Works Contract Tax Act, 1986	Works Contract Tax	0.59	F.Y. 2004-05	Deputy Commissioner of Sales Tax
Maharashtra Value Added Tax Act, 2002	Maharashtra Value Added Tax	8.07	F.Y. 2008-09	Joint Commissioner of Sales Tax
Central Sales Tax Act, 1956	Central Sales Tax	0.98	F.Y. 2008-09	Joint Commissioner of Sales Tax

viii 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. The Company has not taken loan or borrowings from Government. The details of default are as under:

a) Continue default in repayment of Principal dues and interest thereon at the end of the year to Banks are as under:

(₹ in Crores)

Name of the Lender	P / I	Period of Delay					Total Amount
		Upto 30 days	31 to 90 days	91 to 180 days	181 to 1 year	More than 1 year	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Allahabad Bank	P	-	1.90	-	-	-	1.90
	I	0.28	0.57	0.55	-	-	1.40
Andhra Bank	P	1.13	4.92	5.50	0.08	-	11.63
	I	1.18	2.24	3.36	0.92	-	7.71
Axis Bank Ltd.	P	-	6.63	-	-	-	6.63
Bank of Bahrain and Kuwait	P	-	24.87	-	-	-	24.87
	I	2.43	-	-	1.08	1.78	5.28
Bank of Baroda	P	-	4.58	-	-	-	4.58
	I	0.05	0.11	0.16	0.24	-	0.57
Bank of India	P	15.90	0.80	17.46	0.90	0.77	35.83
	I	3.22	6.56	10.16	3.41	-	23.36
Bank of Maharashtra	P	1.31	-	1.03	-	-	2.34
	I	0.16	0.31	0.15	-	-	0.63
Corporation Bank	P	1.88	2.50	5.44	-	-	9.82
	I	2.36	4.49	5.13	0.82	-	12.79
DBS Bank	P	-	-	23.50	-	-	23.50
	I	0.81	-	-	1.28	1.26	3.35
Dena Bank	P	5.46	10.92	5.46	-	-	21.84
	I	2.86	9.10	10.67	8.42	0.06	31.11
Dombivli Nagari Sahakari Bank Ltd.	P	-	1.12	1.14	0.00	-	2.27
	I	0.21	-	-	-	-	0.21
Landesbank Baden Wurttemberg	P	9.64	5.64	4.38	19.02	16.75	55.43
	I	0.76	-	-	0.97	-	1.73
New India Co-op Bank Ltd.	P	-	1.39	0.95	-	-	2.34
	I	0.20	0.36	0.52	0.76	-	1.84
Norddeutsche Landesbank Girozentral	P	5.12	2.03	-	12.26	2.08	21.48
	I	0.73	0.11	-	-	-	0.84
Oriental Bank of Commerce	P	1.83	9.90	5.63	-	-	17.36
	I	2.50	4.74	7.03	4.59	-	18.86

# FAITH FOCUS COMMITMENT

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(₹ in Crores)

Name of the Lender	P / I	Period of Delay					Total Amount
		Upto 30 days	31 to 90 days	91 to 180 days	181 to 1 year	More than 1 year	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	
Punjab National Bank	P	0.69	-	0.32	-	-	1.01
	I	1.53	1.22	0.62	-	-	3.37
Saraswat Co-Operative Bank Ltd.	P	25.24	-	1.94	1.84	-	29.02
	I	0.39	0.73	0.88	-	-	2.00
State Bank of India	P	-	2.24	-	-	-	2.24
	I	1.76	-	-	-	-	1.76
Syndicate Bank	P	12.50	5.64	12.50	17.03	-	47.67
	I	2.77	5.26	7.74	7.34	-	23.12
The Federal Bank Ltd.	P	0.94	1.51	2.25	4.50	0.63	9.82
	I	0.55	1.04	1.62	1.57	-	4.78
The Jammu & Kashmir Bank Ltd.	P	31.25	2.80	31.25	31.25	-	96.55
	I	1.77	3.39	4.69	2.69	-	12.54
Union Bank of India	P	-	3.32	-	-	-	3.32
	I	-	1.70	-	-	-	1.70
Vijaya Bank	P	0.24	0.48	0.71	0.83	-	2.26
	I	0.04	0.06	0.13	0.17	-	0.40
Afr Asia Bank Limited	P	25.92	-	-	-	-	25.92
Bank Sinopac, Offshore Banking Branch	P	12.96					12.96
E. Sun Commercial Bank Ltd.	P	12.96					12.96
Industrial & Commercial Bank of China Ltd.	P	103.69					103.69
PT. Bank Negara Indonesia (Persero) Tbk	P	19.44					19.44
Raiffeisen Bank International AG	P	36.84					36.84
VTB Capital Ltd.	P	122.21	-	-	-	-	122.21

b) Continuous defaults in repayment of Principal and interest thereon at the end of the year to Financial Institutions are as under:

(₹ in Crores)

Name of the Lender	P / I	Period of Delay					Total Amount
		Upto 30 days	31 to 90 days	91 to 180 days	181 to 1 year	More than 1 year	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	
Export Import Bank of India	P	334.50	-	-	-	-	334.50
	I	0.54	-	-	-	-	0.54
Netherland Development Finance Company (FMO)	P	-	-	152.53	-	-	152.53
	I	-	4.38	-	0.96	2.41	7.75
IFCI Limited	P	25.00	-	25.00	25.00	-	75.00
	I	9.03	4.57	12.61	15.65	-	41.86
Life Insurance Corporation of India	P	-	1.88	-	5.63	3.75	11.25
	I	0.65	-	0.65	1.30	0.59	3.19

c) Continue default in repayment of Principal dues and interest thereon at the end of the year to Debenture Holders are as under :

Name of the Lender	P / I	Period of Delay					(₹ in Crores)
		Upto 30 days	31 to 90 days	91 to 180 days	181 to 1 year	More than 1 year	Total Amount
		(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Axis Bank Ltd.	I	1.61	-	1.62	0.67	-	3.90
IFCI Limited	P	36.34	-	-	-	-	36.34
	I	3.41	-	2.94	9.17	-	15.51
LIC of India	I	8.98	-	12.27	15.09	24.46	60.80
The Jammu & Kashmir Bank Ltd.	I	3.24	3.40	-	3.50	-	10.14

Note :

P : Principal

I : Interest

- ix. According to the information and explanations given to us and based on records examined by us we are of the opinion that the money raised by way of term loan by the Company during the year were applied for the purpose for which it was raised. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records, we report that the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, the provisions of Clause 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him as prescribed under section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **SHAH GUPTA & CO.**  
Chartered Accountants  
Firm Registration No.: 109574W

**D. V. Ballal**  
Partner  
M. No. 13107  
Place : Mumbai  
Date : May 30, 2016

For **NBS & Co.**  
Chartered Accountants  
Firm Registration No. 110100W

**N. B. Shetty**  
Partner  
M. No. 16718  
Place : Mumbai  
Date : May 30, 2016

# Annexure B to the Independent Auditors' Report

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

## **REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (THE "ACT")**

We have audited the internal financial controls over financial reporting of **Alok Industries Limited** ("the Company") as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining

an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

## FINANCIAL SECTION

### Annexure to the Independent Auditors' Report



#### Opinion

In our opinion and to the best of our information and according to explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SHAH GUPTA & CO.**

Chartered Accountants

Firm Registration No.: 109574W

**D. V. Ballal**

Partner

M. No. 13107

Place : Mumbai

Date : May 30, 2016

For **NBS & Co.**

Chartered Accountants

Firm Registration No. 110100W

**N. B. Shetty**

Partner

M. No. 16718

Place : Mumbai

Date : May 30, 2016



# Balance Sheet

as at 31 March 2016

(₹ Crores)			
Particulars	Notes	As At 31-Mar-16	As At 31-Mar-15
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
Share capital	2	1,377.33	1,377.33
Reserves and surplus	3	270.90	4,038.49
		1,648.23	5,415.82
<b>(2) Non-current liabilities</b>			
Long-term borrowings	4	8,013.60	7,223.50
Deferred tax liabilities (net)	5	-	868.26
Other Long-term liabilities	6	2,835.73	2,764.35
Long-term provisions	7	29.20	21.03
		10,878.53	10,877.14
<b>(3) Current liabilities</b>			
Short-term borrowings	8	10,596.41	6,427.66
Trade payables			
- Due to Micro and Small Enterprises	9	12.23	15.27
- Due to Others	9	1,011.84	3,364.91
Other current liabilities	10	2,981.53	3,018.59
Short-term provisions	7	113.04	233.05
		14,715.05	13,059.48
<b>TOTAL</b>		<b>27,241.81</b>	<b>29,352.44</b>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
Fixed assets			
Tangible assets	11	7,804.45	8,306.57
Intangible assets	11	8.73	13.96
Capital work-in-progress		14.08	56.22
		7,827.26	8,376.75
Non-current investments	12	293.40	348.15
Deferred tax assets (net)	5	1,051.85	-
Long-term loans and advances	13	1,374.39	1,748.27
		10,546.90	10,473.17
<b>(2) Current assets</b>			
Current investments	14	-	2.81
Inventories	15	8,047.73	8,284.58
Trade receivables	16	7,460.04	7,531.75
Cash and bank balances	17	137.88	634.75
Short-term loans and advances	18	975.06	2,273.10
Other current assets	19	74.20	152.28
		16,694.91	18,879.27
<b>TOTAL</b>		<b>27,241.81</b>	<b>29,352.44</b>
<b>III Notes forming part of the financial statements</b>	1-46		

As per our report of even date attached

For and on behalf of the Board

**For Shah Gupta & Co.**  
Chartered Accountants  
FRN - 109574W

**For NBS & Co.**  
Chartered Accountants  
FRN - 110100W

**D V Ballal**  
Partner  
M. No.: 13107

**N B Shetty**  
Partner  
M. No.: 16718

**Ashok B. Jiwrajka** (Executive Director) - DIN - 00168350  
**Dilip B. Jiwrajka** (Managing Director) - DIN - 00173476  
**Surendra B. Jiwrajka** (Joint Managing Director) - DIN - 00173525  
**Sunil O. Khandelwal** (Executive Director & Chief Financial Officer) - DIN - 06430362  
**K. H. Gopal** (Executive Director & Secretary) - DIN - 06430369

Place: Mumbai  
Date: 30th May 2016

Place: Mumbai  
Date: 30th May 2016

# Statement of Profit and Loss

for the Year ended 31 March 2016

(₹ Crores)

Particulars	NOTES	Year ended 31-Mar-16	18 Months ended 31-Mar-15
<b>I. REVENUE</b>			
Revenue from operations (gross)	20	11,922.85	22,360.61
Less : Excise duty		170.46	229.89
<b>Revenue from operations (net)</b>		<b>11,752.39</b>	<b>22,130.72</b>
<b>II. Other income</b>	21	<b>86.98</b>	<b>224.82</b>
<b>III. Total Revenue</b>		<b>11,839.37</b>	<b>22,355.54</b>
<b>IV. EXPENSES</b>			
Cost of materials consumed		9,116.06	10,207.08
Changes in inventories of finished goods and work-in-progress	22	576.54	4,455.59
Employee benefits expense	23	257.14	412.59
Finance costs	24	2,525.45	3,251.16
Depreciation and amortisation expense	11	635.35	1,461.21
Other expenses	25	4,347.88	2,009.87
<b>Total Expenses</b>		<b>17,458.42</b>	<b>21,797.50</b>
<b>V. Profit/(Loss) before tax</b>		<b>(5,619.05)</b>	<b>558.04</b>
<b>VI. Tax expense</b>			
Current tax	5(a)	(63.88)	92.90
Less : MAT credit entitlement		87.74	(87.74)
Net current tax		23.86	5.16
Deferred tax	5(b)	(1,920.11)	204.12
<b>Total tax expense</b>		<b>(1,896.25)</b>	<b>209.28</b>
<b>VII. Net Profit/(loss) for the period</b>		<b>(3,722.80)</b>	<b>348.76</b>
<b>VIII. EARNINGS PER SHARE (in Rs.)</b>	34		
Basic		(27.03)	2.53
Diluted		(27.03)	2.53
Face Value (Rs. 10/-)			
<b>IX. Notes forming part of the financial statements</b>	1-46		

As per our report of even date attached

For and on behalf of the Board

**For Shah Gupta & Co.**  
Chartered Accountants  
FRN - 109574W

**For NBS & Co.**  
Chartered Accountants  
FRN - 110100W

**D V Ballal**  
Partner  
M. No.: 13107

**N B Shetty**  
Partner  
M. No.: 16718

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**Sunil O. Khandelwal** (Executive Director & Chief Financial Officer) - DIN - 06430362  
**K. H. Gopal** (Executive Director & Secretary) - DIN - 06430369

Place: Mumbai  
Date: 30th May 2016

Place: Mumbai  
Date: 30th May 2016

# Cash Flow Statement

for the Year ended 31 March 2016

(₹ Crores)

PARTICULARS	Year ended 31-Mar-16	18 Months ended 31-Mar-15
<b>A] Cash Flow from Operating Activities</b>		
Profit/(Loss) Before Tax	(5,619.05)	558.04
<b>Adjustments for:</b>		
Depreciation / amortisation	635.35	1,461.21
Exchange rate difference (net)	93.68	(202.39)
Dividend income	(1.59)	(1.48)
Diminution in value of investment	55.47	-
Interest expense	2,123.04	2,884.59
Interest income	(73.84)	(174.57)
Loss / (Gain) on sale of fixed assets (net)	1.15	0.36
Provision for doubtful debts and advances	1,684.47	89.43
Bad debts and advances written off (net)	1,381.85	2.87
Sundry credit balance written back	-	(2.75)
Operating profit before working capital changes	280.53	4,615.31
<b>Adjustments for</b>		
Decrease/(Increase) in Inventories	236.86	(2,558.11)
Decrease/(Increase) in Trade Receivable	(2,736.16)	(2,656.78)
Decrease/(Increase) in Loans and Advances	2,579.01	154.53
(Decrease)/Increase in Liabilities and Provisions	(2,813.47)	3,927.75
Cash (used in) / generated from operations	(2,453.23)	3,482.70
Income taxes paid	(7.25)	(108.94)
Net cash (used in) / generated from operating activities	(2,460.48)	3,373.76
<b>B] Cash flow from Investing Activities</b>		
Purchase of fixed assets including capital advances	(14.89)	(147.41)
Sale of fixed assets	0.69	4.76
Purchase of non-current investments	-	(219.00)
Sale/(purchase) of current investments	2.09	(0.08)
Earmarked Fixed deposit (placed) / matured (net)	422.27	(388.07)
(Refer note 1 below)		
Loan given to subsidiary companies and other related party	(874.52)	(849.36)
Loan given received back from subsidiary companies	368.54	644.70
Dividends received	1.59	1.48
Interest received	75.08	180.14
Inter Corporate deposits given	-	(87.03)
Inter Corporate deposits refunded	0.50	123.87
Net cash generated / (used in) investing activities	(18.65)	(736.00)
<b>C] Cash flow from Financing Activities</b>		
Proceeds from issue of equity share capital (including premium)	-	0.20
Proceeds from term borrowings	3,553.65	3,603.07
Repayment of term borrowings	(2,809.40)	(5,624.06)
Proceeds from short term borrowings (net)	3,120.27	1,486.17
Dividend paid (including tax thereon)	-	(40.43)
Interest paid	(1,460.00)	(2,698.68)
Net cash generated from / (used in) financing activities	2,404.52	(3,273.73)
<b>Net Decrease in Cash and Cash equivalents (A+B+C)</b>	(74.60)	(635.97)
<b>Cash and Cash equivalents at the beginning of the year/period</b>	93.17	729.14
<b>Cash and Cash equivalents at the end of the year/period</b>	18.57	93.17

# Cash Flow Statement

for the Year ended 31 March 2016

## NOTES TO CASH FLOW STATEMENT

(₹ Crores)

Particulars	31-Mar-16	31-Mar-15
1 Cash and Cash equivalents includes :		
Cash and bank balances	137.88	634.75
Less : Earmarked balances / deposits with bank	119.31	541.58
Total Cash and Cash equivalents	18.57	93.17
2 Cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 on Cash Flow Statement		
Notes forming part of the financial statements	1-46	

As per our report of even date attached

For and on behalf of the Board

**For Shah Gupta & Co.**  
Chartered Accountants  
FRN - 109574W

**For NBS & Co.**  
Chartered Accountants  
FRN - 110100W

**D V Ballal**  
Partner  
M. No.: 13107

**N B Shetty**  
Partner  
M. No.: 16718

Place: Mumbai  
Date: 30th May 2016

**Ashok B. Jiwrajka** (Executive Director) - DIN - 00168350  
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**Surendra B. Jiwrajka** (Joint Managing Director) - DIN - 00173525  
**Sunil O. Khandelwal** (Executive Director & Chief Financial Officer) - DIN - 06430362  
**K. H. Gopal** (Executive Director & Secretary) - DIN - 06430369

Place: Mumbai  
Date: 30th May 2016

# Notes to Financial Statements

## for the Year ended 31 March 2016

### 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) under the historical cost convention on the accrual basis to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (the Act), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act.

#### 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, if any. Excise duty recovered is presented as reduction from gross turnover. Export turnover includes related export benefits.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Dividend income is recognised when the right to receive dividend is established.

#### d) Fixed Assets

##### i. Tangible assets:

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. 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

##### Tangible Assets

- i. Depreciation on Tangible Fixed Assets is provided on Straight Line Method on the basis of useful life of assets specified in Part C of Schedule II to the Companies Act, 2013 except in respect of following assets, where useful life used is different than those prescribed in Part C of Schedule II:

Particulars	Depreciation
Plant & Machinery *	20 to 25 years
Factory Building *	50 to 60 years

Based on technical evaluation done by the Chartered Engineer, the management believes that the useful lives as given above, best represent, the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

- ii. Continuous process plant is classified based on technical assessment and depreciation is provided accordingly.
- iii. 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.
- iv. Assets costing less than Rs 5,000/- are fully depreciated in the year of purchase.
- v. Cost of leasehold land is amortised over the period of lease.

# Notes to Financial Statements

## for the Year ended 31 March 2016

### Intangible Assets

Intangible Assets are amortized on the straight line method as per following estimated useful life

- i. Trademarks / Brands are amortised over a period of ten years from the date of capitalization.
- ii. Computer software is amortised for a period of six 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:

- 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:

- i. Raw Materials, Packing Materials, Stores and Spares: at cost determined on First – In – First – Out (FIFO) basis or net realisable value, whichever is lower.
- ii. 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 its present location and condition.

The net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

### j) Employee benefits

#### i. 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.

#### ii. Defined benefit plan

The Company provides for gratuity, a defined benefit plan to eligible employees by participates in a group gratuity cum

life insurance scheme administered through 'Alok Industries Limited Employees Group Gratuity Assurance Scheme' (the Fund). The Fund invest in the scheme of insurance with the Life Insurance Corporation of India, First Life Insurance Company Limited, SBI Life Insurance Company Limited and Canara HSBC Oriental Bank of Commerce. 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.

#### iii. 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.



# Notes to Financial Statements

## for the Year ended 31 March 2016

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.

### 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 Year ended 31 March 2016

## 2. SHARE CAPITAL

(₹ Crores)		
Particulars	As at 31-Mar-16	As at 31-Mar-15
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
150,00,00,000 Equity shares of Rs. 10/- each (Refer note no v below)	1,500.00	1,500.00
<b>Issued and Subscribed</b>	1,377.33	1,377.33
1,377,317,895 Equity shares of Rs.10/- each fully paid up	1,377.32	1,377.32
Add : 13,921 Equity Shares forfeited of Rs. 10/- each, Rs. 5/- paid up	0.01	0.01
<b>TOTAL</b>	<b>1,377.33</b>	<b>1,377.33</b>

### (i) Reconciliation of number of shares and amount outstanding at the beginning and end of the period

(₹ Crores)				
Particulars	As at 31-Mar-16		As at 31-Mar-15	
	No.of shares	Rs.in Crores	No.of shares	Rs.in Crores
<b>Equity shares of Rs.10/- each</b>				
At the beginning of the period	1,377,317,895	1,377.32	1,377,115,595	1,377.12
Add : Shares issued	-	-	202,300	0.20
At the end of the period	1,377,317,895	1,377.32	1,377,317,895	1,377.32

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

(₹ Crores)				
Name of the Shareholder	As at 31-Mar-16		As at 31-Mar-15	
	No of shares	%	No of shares	%
Alok Knit Exports Limited	379,802,326	27.58	395,620,191	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. 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(A)(II))

- (v) During the year the Company was required to amend the Authorized Share Capital of the Company to ₹ 4,000 crore from ₹ 1,500 crore through an Extra Ordinary General Meeting (EOGM) in order to accommodate the conversion of debt into equity under the SDR provisions. A Singapore based bank led consortium through their security trustee, Hong Kong and Shanghai Banking Corporation (HSBC) filed a petition in the Bombay High Court for winding up the company and further prayed for stalling the EOGM to protect their interest. The Court, however, allowed the the EOGM to be conducted on submission of an affidavit by the Company that the resolutions passed at the EOGM for change in capital structure will not be implemented without obtaining prior written approval from HSBC. The Company has since written a letter to the Registrar of Companies, Ahmedabad citing the circumstances due to which the change in capital structure cannot be implemented..

## 3. RESERVES AND SURPLUS

(₹ Crores)		
Particulars	As at 31-Mar-16	As at 31-Mar-15
<b>RESERVES AND SURPLUS</b>		
<b>Capital reserve</b>		
Balance as per last balance sheet	11.72	11.72
<b>Capital redemption reserve</b>		
Balance as per last balance sheet	9.10	9.10
<b>Securities premium account</b>		
Balance as per last balance sheet	993.65	993.65

# Notes to Financial Statements

for the Year ended 31 March 2016

(₹ Crores)

Particulars	As at 31-Mar-16	As at 31-Mar-15
<b>Debenture redemption reserve</b>		
Balance as per last balance sheet	94.65	91.62
Less: Transferred from / (to) Statement of Profit and Loss (Refer note i below)	(12.18)	3.03
	82.47	94.65
<b>General reserve</b>		
Balance as per last balance sheet	280.62	280.62
<b>Employee stock options outstanding</b>		
Balance as per last balance sheet	-	2.27
Less : Options lapsed	-	(2.27)
	-	-
<b>Cash flow hedging reserve</b>		
Balance as per last balance sheet	-	(16.78)
Less: Transferred to Statement of Profit and Loss	-	16.78
	-	-
<b>Foreign Currency Monetary Item Translation Difference Account</b>		
Balance as per last balance sheet	(25.82)	(4.56)
Add : Addition during the year/period	(69.51)	(25.82)
Less : Amortisation for the year/period (Refer note ii below)	24.72	4.56
	(70.61)	(25.82)
<b>(Deficit)/Surplus in the Statement of Profit and Loss</b>		
Balance brought forward from previous period	2,674.57	2,328.84
Profit/(Loss) for the year/period	(3,722.80)	348.76
Transferred (to) / from Debenture redemption reserve (Refer note i below)	12.18	(3.03)
	(1,036.05)	2,674.57
<b>TOTAL</b>	<b>270.90</b>	<b>4,038.49</b>

**Notes :**

- (i) Due to loss during the year and deficit in the Statement of Profit & Loss at the year end, no amount has been transferred to Debenture redemption reserve. Further, the amount transferred from Debenture redemption reserve to Statement of Profit & Loss is on account of redemption of debentures during the year 2015-2016 for which Debenture redemption reserve was created in the past.
- (ii) Amortisation for the period Includes Rs. 15.04 crore on account of long term advance received from customer for which the Company has given Export Performance Bank Guarantee which has been invoked by the customer during the year.

**4. LONG-TERM BORROWINGS**

(₹ Crores)

Particulars	As at 31-Mar-16			As at 31-Mar-15		
	Overdue	Current Maturities	Non Current	Overdue	Current Maturities	Non Current
a) Debentures (Secured) (Refer (i) and (vi) below)	36.34	200.99	291.67	36.67	55.67	496.66
(i)	36.34	200.99	291.67	36.67	55.67	496.66
b) Term Loans						
- Secured (Refer (ii), (iii) and (vi) below)						
From banks						
- Rupee Loans	319.72	907.74	6,485.65	175.55	1,412.67	5,193.77
- Foreign currency loans	87.46	160.84	828.07	14.98	118.37	953.73
(ii)	407.18	1,068.58	7,313.72	190.53	1,531.04	6,147.50

# Notes to Financial Statements

for the Year ended 31 March 2016

(₹ Crores)

Particulars	As at 31-Mar-16			As at 31-Mar-15		
	Overdue	Current Maturities	Non Current	Overdue	Current Maturities	Non Current
From Financial Institutions						
- Rupee Loans	86.25	186.25	356.48	3.75	90.63	542.73
- Foreign currency loans	152.53	-	-	143.96	-	-
(iii)	238.78	186.25	356.48	147.71	90.63	542.73
- Unsecured (Refer note (iv) and (vi) below)						
From banks						
- Rupee Loans	-	16.50	30.41	-	-	-
- Foreign currency loans	26.52	20.05	20.05	8.67	17.00	34.23
(iv)	26.52	36.55	50.46	8.67	17.00	34.23
c) Other loans & advances (Refer (v) below)						
- Secured						
Vehicle loan from Banks (Secured by vehicles under hypothecation with banks)	-	0.96	1.27	-	1.16	2.38
(v)	-	0.95	1.27	-	1.16	2.38
<b>TOTAL</b> (i) to (v)	<b>708.82</b>	<b>1,493.32</b>	<b>8,013.60</b>	<b>383.58</b>	<b>1,695.50</b>	<b>7,223.50</b>

(i) a) Debentures outstanding at the period end redeemable at par are as follows (₹ Crores)

Particulars	Nos	31-Mar-16 (₹ Crores)	31-Mar-15 (₹ 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
15.50% 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	29-Jun-16
15.50% Redeemable Non convertible Debentures	367	36.34	36.67	2-Mar-16
12.50% Redeemable Non convertible Debentures	190	-	19.00	28-Jun-15
14.50% Redeemable Non convertible Debentures	367	-	36.67	3-Mar-15
<b>Total</b>		<b>529.00</b>	<b>589.00</b>	

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 Rs. 300 Crores are secured by first pari passu charge created on fixed assets of the company and Debentures of Rs. 229 Crores are secured by subservient charge on fixed and current assets of the Company (excluding Land and Building).

# Notes to Financial Statements

for the Year ended 31 March 2016

(ii) **Security for term loans**

(₹ Crores)

Nature of security	Banks	Financial Institutions	Total
Exclusive charge on Plant & Machinery and specific assets financed *	396.64	-	396.64
	(862.17)	(-)	(862.17)
Pari pasu first charge created on the entire fixed assets of the Company #	8,086.94	628.98	8,715.92
	(6,384.49)	(637.11)	(7,021.60)
Subservient charge on all movable and current assets of the Company @	305.89	152.53	458.42
	(522.41)	(143.96)	(666.37)
Fixed deposit placed with the bank.	-	-	-
	(100.00)	(-)	(100.00)
<b>Total</b>	<b>8,789.47</b>	<b>781.51</b>	<b>9,570.98</b>
	<b>(7,869.07)</b>	<b>(781.07)</b>	<b>(8,650.14)</b>

\* Includes loans aggregating to Rs. 70.32 Crores (Previous period Rs. 123.63 Crores) which are further secured by personal guarantees of promoter directors / corporate guarantee of promoter group companies

# Includes Bank loans aggregating to Rs.1634.91 Crores (Previous period Rs. 1,958.34 Crores) & Financial Institution loans aggregating to Rs. 100 Crores (Previous period Rs. 108.13 Crores) which are further secured by personal guarantees of promoter directors / corporate guarantee of promoter group Companies.

@ Includes Bank loans aggregating Rs. 519.88 Crores (Previous period 312.50) secured by charge created on part of the land owned by Alok Infrastructure Limited, wholly owned subsidiary of the Company. The company is taking necessary steps for creation of such charge.

@ Includes Banks loans aggregating to Rs. Nil Crores (Previous period Rs. 85.61 Crores) which are further secured by personal guarantees of promoter directors / corporate guarantee of promoter group Companies

(iii) **Terms of repayment of Secured Term Loans**

## a) Non-current

(₹ Crores)

Particulars	Rate of Interest	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years	Total
Rupee Term Loan From Banks	10% - 16%	1,184.86	990.41	756.17	3,554.20	6,485.64
	(11.55% - 15.75%)	(1,182.19)	(1,157.51)	(864.97)	(1,989.09)	(5,193.76)
Foreign Currency Term Loan From Banks	1.30% - 7.50%	156.97	420.86	94.06	156.23	828.12
	(1.27% - 7.35%)	(160.27)	(165.66)	(395.61)	(232.20)	(953.74)
Rupee Term Loan From Financial Institutions	9.00% - 15.00%	186.48	77.50	2.50	90.00	356.48
	(9.00% - 15.00%)	(186.25)	(186.48)	(77.50)	(92.50)	(542.73)
<b>Total</b>		<b>1,528.31</b>	<b>1,488.77</b>	<b>852.73</b>	<b>3,800.43</b>	<b>7,670.24</b>
		<b>(1,528.71)</b>	<b>(1,509.65)</b>	<b>(1,338.08)</b>	<b>(2,313.79)</b>	<b>(6,690.23)</b>

## b) Current

(₹ Crores)

Particulars	Rate of Interest	Overdue	Current Maturities
Rupee Term Loan From Banks	10% - 16%	319.72	907.74
	(11.55% - 15.75%)	(175.55)	(1,412.67)
Foreign Currency Term Loan From Banks	1.30% - 7.50%	87.46	160.84
	(1.27% - 7.35%)	(14.98)	(118.37)
Rupee Term Loan From Financial Institutions	9.00% - 15.00%	86.25	186.25
	(9.00% - 15.00%)	(3.75)	(90.63)
Foreign Currency Term Loan From Financial Institutions	2.96% - 5.40%	152.53	-
	(2.96% - 5.40%)	(143.96)	(-)
<b>Total</b>		<b>645.96</b>	<b>1,254.83</b>
		<b>(338.24)</b>	<b>(1,621.67)</b>

# Notes to Financial Statements

for the Year ended 31 March 2016

## (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
Rupee Term Loan From Banks	10% - 12%	30.41	-	-	-	30.41
	(-% - -%)	(-)	(-)	(-)	(-)	(-)
Foreign Currency Term Loan From Banks	1.95% - 2.90%	20.05	-	-	-	20.05
	(2.88% - 2.89%)	(17.11)	(17.12)	(-)	(-)	(34.23)
<b>Total</b>		<b>50.46</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50.46</b>
		<b>(17.11)</b>	<b>(17.12)</b>	<b>(-)</b>	<b>(-)</b>	<b>(34.23)</b>

## (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%	0.80	0.45	0.02	-	1.27
	(10.65% - 12.20%)	(0.99)	(0.86)	(0.50)	(0.03)	(2.38)

## (vi) The Company has defaulted in repayment of principal and interest payments. The period and amount of continuing defaults 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	36.34	-	-	-	36.34
	(36.67)	(-)	(-)	(-)	(36.67)
b) Term Loans					
- Secured					
From banks :					
- Rupee Loans	98.37	48.44	115.08	57.82	319.71
	(103.21)	(72.34)	(-)	(-)	(175.55)
- Foreign currency loans	14.75	39.09	-	33.61	87.45
	(13.26)	(1.82)	(-)	(-)	(15.08)
From Financial Institutions :					
- Rupee Loans	25.00	1.88	25.00	34.38	86.26
	(-)	(1.88)	(-)	(1.88)	(3.76)
- Foreign currency loans	-	-	152.53	-	152.53
	(-)	(143.96)	(-)	(-)	(143.96)
- Unsecured					
From banks :					
- Foreign currency loans	-	5.64	4.38	16.50	26.52
	(-)	(4.81)	(3.74)	(-)	(8.55)
<b>Total</b>	<b>174.46</b>	<b>95.05</b>	<b>296.99</b>	<b>142.31</b>	<b>708.81</b>
	<b>(153.14)</b>	<b>(224.81)</b>	<b>(3.74)</b>	<b>(1.88)</b>	<b>(383.57)</b>



# Notes to Financial Statements

for the Year ended 31 March 2016

**b) Interest :**

(₹ Crores)

Particulars	0-30 days	31-90 days	91-180 days	Above 180 days	Total
a) Debentures	17.23 (5.50)	3.40 (9.28)	16.83 (9.60)	52.89 (-)	90.35 (24.38)
b) Term Loans					
- Secured					
From banks :					
- Rupee Loans	94.31 (57.22)	153.42 (73.81)	119.41 (1.50)	72.39 (-)	439.53 (132.53)
- Foreign currency loans	12.78 (2.03)	1.81 (1.77)	- (-)	3.83 (-)	18.42 (3.80)
From Financial Institutions :					
-Rupee Loans	20.75 (0.21)	5.57 (23.75)	24.56 (0.45)	77.28 (0.26)	128.16 (24.67)
-Foreign currency loans	- (-)	4.38 (1.99)	- (-)	3.36 (-)	7.74 (1.99)
- Unsecured					
From banks :					
-Rupee Loans	0.47 (-)	1.34 (-)	- (-)	- (-)	1.81 (-)
-Foreign currency loans	0.61 (-)	- (0.40)	0.17 (-)	- (-)	0.78 (0.40)
<b>Total</b>	<b>146.15</b> <b>(64.96)</b>	<b>169.92</b> <b>(111.00)</b>	<b>160.97</b> <b>(11.55)</b>	<b>209.75</b> <b>(0.26)</b>	<b>686.79</b> <b>(187.77)</b>

Previous period figures are given in brackets.

**5. TAXATION**

(₹ Crores)

Particulars	As at 31-Mar-16	As at 31-Mar-15
<b>(a) Current Tax comprises of</b>		
Current tax for the period	-	93.09
Less : Excess provision of tax relating to earlier years	63.88	0.19
	( 63.88)	92.90
<b>(b) Deferred tax liability (net) comprises of timing difference on account of</b>		
<b>Deferred tax liability:</b>		
Depreciation	(872.01)	911.72
<b>Deferred tax asset:</b>		
Mark to Market loss on derivative contracts	-	(15.89)
Share issue expenses	-	(1.35)
Provision for employee benefits	12.70	(9.88)
Provision for doubtful debts and advances	516.36	(16.34)
Interest not Paid	238.54	-
Unabsorbed depreciation carried forward	260.31	-
Business loss carried forward	895.95	-
<b>Deferred tax liability (net)</b>	<b>1,051.85</b>	<b>868.26</b>

# Notes to Financial Statements

for the Year ended 31 March 2016

## 6. OTHER LONG-TERM LIABILITIES

(₹ Crores)

Particulars	As at 31-Mar-16	As at 31-Mar-15
Advance from customer (Refer note below)	2,835.73	2,764.35
<b>TOTAL</b>	<b>2,835.73</b>	<b>2,764.35</b>

The Company has received a long term export advance of Rs. 2,984.98 crores (Previous Period 2,909.85 crores) including Rs. 149.25 crore (Previous Period Rs. 144.50 crore) considered in other current liabilities 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 existing and future fixed assets and second charge on the existing and future 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-16			As at 31-Mar-15		
	Long term	Short term	Total	Long term	Short term	Total
For employee benefits	29.20	7.49	36.69	21.03	7.52	28.55
Provision for taxation (net of advance tax)	-	105.55	105.55	-	225.53	225.53
<b>TOTAL</b>	<b>29.20</b>	<b>113.04</b>	<b>142.24</b>	<b>21.03</b>	<b>233.05</b>	<b>254.08</b>

## 8. SHORT-TERM BORROWINGS

(₹ Crores)

Particulars	As at 31-Mar-16		As at 31-Mar-15	
<b>Working capital loans :</b>				
Cash Credit accounts, working capital demand loan etc. (Secured) (Refer (i) below)				
From Banks		8,857.64		5,541.20
[Includes Rs. 538.68 Crores (Previous period Rs. 598.27 Crores) loans in foreign currency]				
From Financial Institutions		129.71		129.71
Inter Corporate Deposit (Secured) \$		121.19		75.00
Inter Corporate Deposit (Unsecured)		9.10		122.94
<b>Short term loan</b>				
Secured (Refer (ii) and (iv) below)				
-Rupee Loans				
From Financial Institutions		75.50		75.24
<b>Overdue/Recalled Loans</b>				
<b>Non Convertible Debentures</b>				
Debentures (Secured) (Refer Note 4(i) and (vi) above)		36.34		36.67
<b>Long term borrowings</b>				
Secured (Refer Note 4(ii) and (vi) above)				
-Rupee Loans				
From Banks	319.72		175.55	
From Financial Institutions	86.25		3.75	
	405.97		179.30	
-Foreign currency loans				
From Banks	87.46		14.98	
From Financial Institutions	152.53		143.96	
	239.99		158.94	
		645.96		338.24

# Notes to Financial Statements

for the Year ended 31 March 2016

Particulars	As at 31-Mar-16		As at 31-Mar-15	
Unsecured (Refer Note 4(vi) above)				
-Foreign currency loans				
From Banks		26.52		8.66
<u>Short term borrowings</u>				
Secured (Refer (ii) and (iv) below)				
-Rupee Loans				
From Banks		-		100.00
<u>Demand loan</u>				
Secured (Refer (iii) and (iv) below)				
-Rupee Loans				
From Financial Institutions		334.50		-
Unsecured				
-Foreign currency loans				
From Banks		359.95		-
<b>TOTAL</b>		<b>10,596.41</b>		<b>6,427.66</b>

(₹ Crores)

	Nature of security	Banks	Financial Institutions	Total
	<b><u>Security for working capital loans :</u></b>			
(i)	(a) Hypothecation of company's current assets and mortgage of certain immovable properties belonging to the company. #	8,765.10 (5,405.61)	129.70 (129.70)	8,894.80 (5,535.31)
	(b) 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. *	92.54 (135.59)	0.01 (0.01)	92.55 (135.60)
	<b>TOTAL</b>	8,857.64 (5,541.20)	129.71 (129.71)	8,987.35 (5,670.91)
(ii)	<b><u>Security for short term loans</u></b>			
	(a) Hypothecation of company's current assets on first pari passu basis.	- (100.00)	- (-)	- (100.00)
	(b) 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 @	- (-)	75.50 (75.24)	75.50 (75.24)
	<b>TOTAL</b>	- (100.00)	75.50 (75.24)	75.50 (175.24)
(iii)	<b><u>Security for demand loans</u></b>			
	(a) Second charge created on all immovable properties of the Company situated at Vapi & Silvassa.	- (-)	334.50 (-)	334.50 (-)
	(b) pledge of shares held by step down subsidiaries viz. Alok Industries International Limited and Grabal Alok International Limited in Mileta a.s. & Grabal Alok (UK) Ltd. respectively.			
	<b>TOTAL</b>	- (-)	334.50 (-)	334.50 (-)

# Includes Bank loans aggregating Rs. 2313.63 Crores (Previous period Rs. 1377.25 Crores) 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 Rs. 44.55 Crores (Previous period Rs. 41.79 Crores) secured by charge created / is being created on part of the land owned by Alok Infrastructure Limited, wholly owned subsidiary of the Company.

# Notes to Financial Statements

## for the Year ended 31 March 2016

@ Includes loans aggregating Rs. 75.50 Crores (Previous period Rs. 75.54 Crores) secured by charge created on part of the land owned by Alok Infrastructure Limited, wholly owned subsidiary of the Company.

\$ Includes Rs. 69.60 crores Secured by first charge on three floors of Peninsula Business Park owned by Alok Infrastructure Company and Rs. 51.59 crores secured by second charge on one floor of Peninsula Business Park owned by Alok Infrastructure 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)
Unsecured			
-Rupee Loans			
From Financial Institutions	334.50 (-)	- (-)	334.50 (-)
-Foreign currency loans			
From Banks	359.95 (-)	- (-)	359.95 (-)
<b>Total</b>	<b>694.45 (100.00)</b>	<b>- (-)</b>	<b>694.45 (100.00)</b>

**b) Interest :**

(₹ Crores)

Particulars	0-30 days	31-90 days	91 to 180 Days	Above 180 Days	Total
Secured					
-Rupee loans					
From Banks	(1.25)	(2.38)	(-)	(-)	(3.63)
-Rupee loans					
From Financial Institutions	4.02 (1.03)	1.08 (0.60)	(-)	(-)	5.10 (1.63)
Working capital loans	109.58 (-)	19.31 (-)	(-)	(-)	128.89 (-)
Inter Corporate Deposits	12.25 (-)	- (-)	- (-)	2.46 (-)	14.71 (-)
<b>Total</b>	<b>125.85 (2.28)</b>	<b>20.39 (2.98)</b>	<b>- (-)</b>	<b>2.46 (-)</b>	<b>148.70 (5.26)</b>

Previous period figures are given in brackets.

**9. TRADE PAYABLES**

(₹ Crores)

Particulars	As at 31-Mar-16	As at 31-Mar-15
Total outstanding dues of micro enterprises and small enterprises ( Refer a below)	12.23	15.27
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	30.44	2,250.96
Other than Acceptances	981.40	1,113.95
<b>TOTAL</b>	<b>1,024.07</b>	<b>3,380.18</b>

Refer note no 32(A)(II)(e) for related party balance.

# FAITH FOCUS COMMITMENT

29<sup>th</sup> Annual Report | 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016

## 9. Information as per Micro, Small & Medium Enterprises Act:

(₹ Crores)

Particulars	As at 31-Mar-16	As at 31-Mar-15
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year/period	12.23	15.27
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year/period	3.56	6.42
(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 year/period	3.56	6.42
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year/period	9.98	6.42
(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	0.57	0.88

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-16	As at 31-Mar-15
Current maturities of long-term borrowings (Refer note no.4)	1,493.32	1,695.50
Interest accrued but not due on borrowings	63.77	42.20
Interest accrued and due on borrowings	835.50	193.03
Unclaimed dividends (Refer note below)	1.28	1.37
Fair value of foreign currency forward and option contracts	-	45.92
Other payables		
Advance from customers (Refer note no.6(i))	225.19	200.60
Advance from Related parties (Refer note no. 32 (A)(II)(f))	288.71	765.37
Creditors for Capital Goods	24.34	31.65
Towards statutory liabilities	28.91	30.60
Others	20.51	12.35
<b>TOTAL</b>	<b>2,981.53</b>	<b>3,018.59</b>

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

# Notes to Financial Statements

for the Year ended 31 March 2016

Description Of Assets	Gross Block			Depreciation / Amortisation			Net Block	
	As At 1-Apr-15	Additions	Deductions/ Adjustments	As At 31-Mar-16	As At 1-Apr-15	For The Period	As At 31-Mar-16	As At 31-Mar-15
<b>TANGIBLE ASSETS :</b>								
Freehold Land	127.70	0.20	-	127.90	-	-	127.90	127.70
Leasehold Land	0.80	-	-	0.80	0.19	0.01	0.601	0.61
Buildings	2,696.22	36.17	-	2,732.39	470.67	75.53	2,186.19	2,225.55
Plant and Equipments	10,328.98	91.83	2.24	10,418.57	4,529.88	520.99	5,049.64	5,799.10
Furniture and Fixtures	92.71	0.16	0.45	92.42	38.65	15.45	53.91	54.06
Vehicles	23.48	0.00	1.09	22.39	9.55	3.47	12.48	13.93
Office Equipment	13.30	0.27	0.03	13.54	6.08	5.51	11.57	7.22
Office Premises	26.10	-	-	26.10	4.44	0.42	4.86	21.66
Computer and Equipments	33.80	0.36	0.07	34.09	29.94	2.95	32.78	3.86
Tools and Equipment	89.02	0.83	0.07	89.78	36.14	5.80	41.90	52.88
<b>Sub - Total</b>	<b>13,432.11</b>	<b>129.82</b>	<b>3.95</b>	<b>13,557.98</b>	<b>5,125.54</b>	<b>630.12</b>	<b>5,753.53</b>	<b>8,306.57</b>
<b>PREVIOUS PERIOD</b>	<b>12,841.31</b>	<b>1,994.50</b>	<b>6.84</b>	<b>12,841.31</b>	<b>3,684.41</b>	<b>1,347.23</b>	<b>3,684.41</b>	
<b>INTANGIBLE ASSETS :</b>								
Trademarks / Brands	55.04	-	-	55.04	42.66	4.82	47.48	12.38
Computer Software	19.81	0.00	-	19.81	18.23	0.41	18.64	1.58
<b>Sub - Total</b>	<b>74.85</b>	<b>0.00</b>	<b>-</b>	<b>74.85</b>	<b>60.89</b>	<b>5.23</b>	<b>66.12</b>	<b>13.96</b>
<b>PREVIOUS PERIOD</b>	<b>73.46</b>	<b>4.09</b>	<b>3.49</b>	<b>73.46</b>	<b>46.93</b>	<b>13.54</b>	<b>46.93</b>	
<b>Total</b>	<b>13,506.96</b>	<b>129.82</b>	<b>3.95</b>	<b>13,632.83</b>	<b>5,186.43</b>	<b>635.35</b>	<b>5,819.65</b>	<b>8,320.53</b>
<b>TOTAL PREVIOUS PERIOD</b>	<b>12,914.77</b>	<b>1,998.59</b>	<b>10.33</b>	<b>12,914.77</b>	<b>3,731.34</b>	<b>1,360.77</b>	<b>3,731.34</b>	

**NOTES :**

- Plant and Equipments includes :
  - Exchange difference (net) of Rs. 72.70 Crores (Previous period Rs. 71.20 Crores) on restatement of long term borrowings payable in foreign currency.
  - Interest capitalised Rs. Nil (Previous period Rs. 17.95 Crores)
- Refer Note No. 30.



# Notes to Financial Statements

for the Year ended 31 March 2016

## 12. NON CURRENT INVESTMENTS (Unquoted)

(₹ Crores)

PARTICULARS		No. of shares of face value of Rs.10 each fully paid-up unless otherwise specified	As at 31-Mar-16		As at 31-Mar-15	
<b>a)</b>	<b>Investment in Equity shares</b>					
	<b>In Subsidiary Companies - Trade</b>					
	Alok International Inc. (Rs. 43,225/-) (Face value of USD 1 each)	1,000	0.00		0.00	
	Alok Infrastructure Limited	50,000	0.05		0.05	
	(Pledged against finance availed by Alok Infrastructure Limited)					
	Alok Singapore Pte. Ltd. (Rs. 49/-) (Face value of USD 1 each)	1	0.00		0.00	
	(Pledged against finance availed by Alok Singapore Pte. Ltd.)					
	Alok International (Middle East) FZE (Face value of UAE Dirhams One Million)	1	1.31		1.31	
	(Pledged against finance availed by Alok International (Middle East) FZE)					
	Alok Worldwide Limited (Rs. 6,252/-) (Face value of USD 1 each)	100	0.00		0.00	
	Alok Global Trading (Middle East) FZE (Rs. 16,985/-) (Face value of UAE Dirhams 1000)	1	0.00		0.00	
				1.36		1.36
	<b>In Joint Venture Companies</b>					
	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
	<b>Others</b>					
	Triumphant Victory Holdings Limited (Rs. 90.14/-) (Face value of USD 1 each)	2	0.00		0.00	
	Dombivali Nagari Sahakari Bank Limited (Face value of Rs.50 each)	10,000	0.05		0.05	
	Kalyan Janata Sahakari Bank Limited (Face value of Rs.25 each)	10,000	0.03		0.03	
	Saraswat Bank Limited (Rs. 25,000/-)	2,500	0.00		0.00	
	(Pledged against finance availed by company)					
	Interest in Alok Benefit Trust (See note below)		35.33		35.33	
	Wel-Treat Environ Management Organisation (Rs. 36,500/-)	3,650	0.00		0.00	
				35.41		35.41
<b>b)</b>	<b>Investment in Preference shares - others</b>					
	Triumphant Victory Holdings Limited (0% Redeemable cumulative Preference shares, face value of USD 1 each)	35,466,960	219.00		219.00	
	Less : Provision for diminution in value of investment (Refer note no 32(A) (II) (c))		(54.75)	164.25		
	<b>TOTAL</b>			293.40		348.15

The Trust is holding 19,459,382 Equity Shares [Previous Year 19,459,382] of Rs. 10/- of Alok Industries Limited, the sole beneficiary of which is the Company. [The Market Value of Shares held in Trust is Rs. 8.76 crores (Previous Year Rs. 14.40 crores)]

# Notes to Financial Statements

for the Year ended 31 March 2016

## 13. LONG TERM LOANS & ADVANCES

(₹ Crores)

PARTICULARS	As at 31-Mar-16	As at 31-Mar-15
<b>Unsecured and considered good</b>		
Capital advances	39.38	49.15
Lease and security deposits	6.25	10.34
Loan to Alok Infrastructure Limited, wholly owned subsidiary	1,256.17	1,428.54
Other Loans and advances		
Prepaid expenses	69.43	120.49
Advance tax (net of provision for tax)	3.16	52.01
MAT credit entitlement	-	87.74
	1,374.39	1,748.27
<b>Unsecured and considered doubtful</b>		
Loan to Alok Infrastructure Limited, wholly owned subsidiary	212.97	-
Less : Provision for doubtful advances	212.97	-
	-	-
<b>TOTAL</b>	<b>1,374.39</b>	<b>1,748.27</b>

## 14. CURRENT INVESTMENTS (at lower of cost and fair value)

(₹ Crores)

PARTICULARS	As at 31-Mar-16	As at 31-Mar-15
Investments in Bonds		
Laxmi Vilas Bank Tier II Bonds	-	2.00
[20 Bonds of Rs. 10,00,000 each]		
Investments in Mutual funds - Unquoted		
Axis Infrastructure Fund 1 scheme	0.72	
[7,622 (previous period 8,113) units of Rs. 1000/- each]		
Less : Provision for diminution	(0.72)	0.81
<b>TOTAL</b>	<b>-</b>	<b>2.81</b>

## 15. INVENTORIES (At lower of cost and net realisable value)

(₹ Crores)

PARTICULARS	As at 31-Mar-16	As at 31-Mar-15
Raw Materials (Refer note below)	7,656.82	7,313.06
(includes material in transit Rs. 24.01 Crores (Previous period Rs. 10.40 Crores))		
Work-in-progress (Refer note below)	172.08	712.75
Finished goods	170.29	206.16
	7,999.19	8,231.97
Stores and Spares	41.82	44.45
Packing Material	6.72	8.16
<b>TOTAL</b>	<b>8,047.73</b>	<b>8,284.58</b>

For the year ended 31st March, 2016 Inventories of Greige Fabric has been classified as Raw Material whereas for the previous period ended 31st March, 2015 it was classified as Work-in-progress. Accordingly previous period figures also have been reclassified. Had the Company continued to disclose the same as Work-in-progress as at 31st March, 2016 value of said inventories would have been higher by Rs. 13.14 crores on account of overhead absorption.

# Notes to Financial Statements

for the Year ended 31 March 2016

## 16. TRADE RECEIVABLES

(₹ Crores)

PARTICULARS	As at 31-Mar-16	As at 31-Mar-15
Debts outstanding for a period exceeding six months from due date	1,946.81	161.84
Less : Provision for doubtful debts	760.03	34.64
	1,186.78	127.20
Other Debts	6,992.05	7,404.55
Less : Provision for doubtful debts	718.79	-
	6,273.26	7,404.55
<b>TOTAL</b>	<b>7,460.04</b>	<b>7,531.75</b>
Unsecured		
Considered Good	7,460.04	7,531.75
Considered Doubtful	1,478.82	34.64
<b>TOTAL</b>	<b>8,938.86</b>	<b>7,566.39</b>

- (i) Debtors include dues from parties aggregating to Rs. Nil (Previous period Rs. 0.05 Crores) in which a director is a director/partner
- (ii) Refer note no 32(A)(II)(d) for related party balance.

## 17. CASH AND BANK BALANCES

(₹ Crores)

PARTICULARS	As at 31-Mar-16	As at 31-Mar-15
<b>A</b> Cash and Cash equivalents		
Cash on hand	0.64	0.74
Balance with Bank		
In current accounts	17.93	92.43
Total Cash and Cash equivalents (A)	18.57	93.17
<b>B</b> Other bank balances		
In earmarked accounts		
- Unclaimed dividend accounts	1.28	1.37
- Balances / deposits held as margin money or security against borrowings, guarantees and other commitments	118.03	540.21
Total other bank balances (B)	119.31	541.58
<b>TOTAL</b>	<b>137.88</b>	<b>634.75</b>

Margin monies include Rs. 12.24 Crores (Previous period Rs. 198.24 Crores) which have an original maturity of more than 12 months and Rs. 7.93 Crores (Previous period Rs. 9.23 Crores) which have a maturity of more than 12 months from the Balance Sheet date.

# Notes to Financial Statements

for the Year ended 31 March 2016

## 18. SHORT-TERM LOANS AND ADVANCES

(₹ Crores)

PARTICULARS	As at 31-Mar-16	As at 31-Mar-15
<b>Unsecured, considered good</b>		
Loans and advances :		
To related parties (Refer note no. 32 (A)(II)(b))	750.86	285.49
To vendors	29.05	1,712.08
To Staff (Refer note (a) below)	4.13	4.26
Others		
Balance with Central excise, customs and Sales tax authorities	122.79	143.71
Prepaid expenses	67.53	126.36
Inter Corporate Deposits	0.70	1.20
	975.06	2,273.10
<b>TOTAL</b>	<b>975.06</b>	<b>2,273.10</b>
<b>Unsecured</b>		
Considered Good	975.06	2,273.10
Considered Doubtful	-	-
<b>TOTAL</b>	<b>975.06</b>	<b>2,273.10</b>

a) Advance to staff includes Rs. 0.02 Crore (Previous period Rs. 0.08 Crore) due from key management personnel of the Company [maximum amount outstanding during the period Rs. 0.08 Crores (Previous period Rs. 0.23 Crores)]

## 19. OTHER CURRENT ASSETS

(₹ Crores)

PARTICULARS	As at 31-Mar-16	As at 31-Mar-15
<b>Considered good</b>		
Interest subsidy receivable	53.80	77.99
Unutilised DEPB licence	1.10	1.63
Export Incentive Receivable	19.24	71.36
Interest receivable	-	1.24
Others	0.06	0.06
	74.20	152.28
<b>Considered doubtful</b>		
Interest subsidy receivable	25.19	-
Export Incentive Receivable	2.13	-
Less : Provision	27.32	-
	-	-
<b>TOTAL</b>	<b>74.20</b>	<b>152.28</b>

# Notes to Financial Statements

for the Year ended 31 March 2016

## 20. REVENUE FROM OPERATIONS

(₹ Crores)		
PARTICULARS	Year ended 31-Mar-16	18 Months ended 31-Mar-15
a) Sale of product		
Sales - Local	10,577.48	18,396.92
Sales - Export	1,223.49	3,861.60
a) Sale of goods	11,800.97	22,258.52
b) Sale of services		
Job work charges collected	113.91	86.54
c) Other operating revenue		
Sale of Scrap	7.97	15.55
<b>TOTAL</b>	<b>11,922.85</b>	<b>22,360.61</b>

## 21. OTHER INCOME

(₹ Crores)		
PARTICULARS	Year ended 31-Mar-16	18 Months ended 31-Mar-15
Interest income		
- Bank fixed deposits	15.79	36.63
- Inter corporate deposits	0.02	3.80
- Others	58.03	134.14
	73.84	174.57
Dividend income :		
On Long term investments	1.59	1.48
Dividend income on long term investment	1.59	1.48
Exchange rate difference (net)	-	37.20
Profit On Sale Of Depb	1.47	-
Sundry credit balance written back	4.27	2.75
Rent received	4.41	5.76
Other non operating income	1.40	3.06
<b>TOTAL</b>	<b>86.98</b>	<b>224.82</b>

## 22. CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ Crores)		
PARTICULARS	Year ended 31-Mar-16	18 Months ended 31-Mar-15
<b>CLOSING STOCK AS ON 31 MAR 2016</b>		
Work-in-progress *	172.08	712.75
Finished Goods	170.29	206.16
	342.37	918.91
<b>LESS : OPENING STOCK AS ON 1 APRIL 2015</b>		
Work-in-progress *	712.75	4,849.46
Finished Goods	206.16	525.04
	918.91	5,374.50
<b>TOTAL</b>	<b>(576.54)</b>	<b>(4,455.59)</b>

\* Refer note no 15

## 23. EMPLOYEE BENEFIT EXPENSES

(₹ Crores)		
PARTICULARS	Year ended 31-Mar-16	18 Months ended 31-Mar-15
Salaries and wages	237.95	386.58
Contribution to provident and other funds	12.11	14.79
Employees welfare expenses	7.08	11.22
<b>TOTAL</b>	<b>257.14</b>	<b>412.59</b>

# Notes to Financial Statements

for the Year ended 31 March 2016

## 24. FINANCE COSTS

(₹ Crores)

PARTICULARS	Year ended 31-Mar-16	18 Months ended 31-Mar-15
Interest expense	2,123.04	2,884.59
(Net of interest subsidy Rs. 23.47 Crores (Previous period Rs. 133.94 Crores))		
Interest on late payment of taxes	0.57	13.75
Other borrowing costs	401.84	352.82
<b>TOTAL</b>	<b>2,525.45</b>	<b>3,251.16</b>

## 25. OTHER EXPENSES

(₹ Crores)

PARTICULARS	Year ended 31-Mar-16	18 Months ended 31-Mar-15
Stores and spares consumed	52.27	78.70
Packing materials consumed	97.86	143.49
Power and fuel	385.32	714.06
Processing charges	43.03	100.31
Labour charges	48.83	81.41
Donation	0.13	0.70
Freight, coolie and cartage	55.77	135.34
Legal and professional fees	18.09	34.75
Rent	16.30	29.09
Rates and taxes	11.14	16.82
Repairs and maintenance		
Plant and machinery	9.38	15.32
Factory building	0.51	1.11
Others	3.79	6.82
	13.68	23.25
Commission on sales	13.94	250.71
Exchange rate differences (net)	298.68	-
Provision for doubtful debts	1,446.31	82.19
Provision for doubtful advances	238.16	7.24
Provision for diminution in value of Investment	55.47	
Bad debts and advances written off (net)	1,381.85	2.87
Directors remuneration	6.82	11.72
Directors fees and commission	0.05	5.67
Auditors remuneration		
Audit fees (including service tax)	0.87	2.40
Certification fees	0.02	0.31
Auditors remuneration	0.89	2.71
Loss on sale of assets (net)	1.15	0.36
Insurance	23.39	29.99
Miscellaneous expenses	138.75	258.49
<b>TOTAL</b>	<b>4,347.88</b>	<b>2,009.87</b>



# Notes to Financial Statements

for the Year ended 31 March 2016

## 26 Contingent Liabilities in respect of :

(₹ Crores)

Sr. No.	Particulars	31-Mar-16	31-Mar-15
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	Bank guarantees given		
a)	Relating to Joint Ventures	10.00	10.00
b)	Others	0.34	-
C	Corporate guarantees / Standby Letter of Credit given to banks for loans taken by subsidiary companies	886.07	1,747.44
D	Bills discounted	43.26	33.77
E	Claims against the Company not acknowledged as debts :		
a)	Income taxes	8.21	6.18
b)	Maharashtra value added tax	8.07	8.07
c)	Other tax demands	1.57	1.57
d)	Others – disputes under litigation	74.40	-
e)	Certain cases were filed by the lenders/ suppliers in respect of dishonour of cheque issued for repayment of borrowings including interest and outstanding dues and further interest till non-payment	Amount Unascertained	-
f)	Certain cases were filed/notices issued by the lenders in respect of delayed / non-payment of borrowings including interest by the Company or it's subsidiary company and further interest till non-payment	Amount Unascertained	-
F	The Company has issued letters for providing financial support to certain subsidiaries	Amounts are not quantifiable	-

## 27 Capital Commitments

(₹ Crores)

Particulars	31-Mar-16	31-Mar-15
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	34.18	55.99

- 28 As a consequence of the prolonged working at depleted levels, the Company's losses have significantly mounted leading to a decrease in the net worth. The company will take due measures to inform concerned authorities of this development in due course.

Certain events / conditions could possibly impact the 'going concern' assumption of the Company. The lenders had invoked the 'Strategic Debt Restructuring' (SDR) on 27 Nov 2015 pursuant to Reserve Bank of India guidelines and the implementation thereof is under process. Considering this development, the Company has presented these financial statements on a 'going concern' basis.

- 29 Company has unabsorbed depreciation and business losses as at the Balance Sheet date on which net deferred tax assets of Rs 1051.85 crore has been recognized based on the concrete measures taken by the Company for ramping up operations and enhancing operating efficiency. Based on timely infusion of working capital, running order book position, reliability of raw material supply and the technical viability report prepared by recognized industry experts, the company is virtually certain that there would be sufficient taxable income in future to offset the deferred tax asset.
- 30 Pursuant to the applicability of Schedule II to the Companies Act, 2013, with effect from April 01, 2015, the Company has aligned the useful lives of its tangible assets with those specified In Schedule II or as assessed based on technical advice. Consequently, the depreciation charge for the year ended 31<sup>st</sup> March, 2016 is lower by Rs. 290.63 crores.
- 31 In the opinion of management, the current assets and other non-current assets after necessary provisions / write offs have a value on realisation in the ordinary course of the business, at least equal to the amount at which they are stated except otherwise stated.

# Notes to Financial Statements

## for the Year ended 31 March 2016

### 32 Related Party Disclosure

#### A. Name and transactions / 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 disclosure are as below :

##### (i) Subsidiaries

- |   |  |
|---|--|
| a. Alok Industries International Limited                                  | i. Alok Infrastructure Limited                               |
| b. Alok International Inc.  | j. Springdale Information and Technologies Private Limited # |
| c. Alok International (Middle East) FZE                                   | k. Kesham Developers & Infotech Private Limited #            |
| d. Alok Worldwide Limited   | l. Alok Singapore Pte. Ltd.                                  |
| e. Mileta, a.s.   | m. Grabal Alok (UK) Limited                                  |
| f. Alok Global Trading (Middle East) FZE<br>(Incorporated on 7 July 2014) | n. Grabal Alok International Limited                         |
| g. Alok Global Singapore Pte. Ltd. @                                      | o. Alok Merchant Singapore Pte. Ltd. @                       |
| h. Alok Trading Singapore Pte. Ltd. @                                     | p. Alok Universal Singapore Pte. Ltd. @                      |
| # Liquidation under process   | @ Incorporated on 7 March 2014                               |

##### (ii) Associate companies

- |                                     |   |
|-------------------------------------|---|
| a. Alspun Infrastructure Limited    |   |
| b. Ashford Infotech Private Limited | c. Next Creation Holdings LLC (upto 7 April 2014) |

##### (iii) Entities under common control

- |  |                                      |
|--|--------------------------------------|
| a. Alok Denims (India) Limited         | e. Alok Knit Exports Private Limited |
| b. Alok Textile Traders                | f. Ashok Realtors Private Limited    |
| c. Triumphant Victory Holdings Limited | g. Nirvan Exports                    |
| d. D. Surendra & Co.                   | h. Pramtex Enterprises               |

##### (iv) Joint Venture

- |  |  |
|--|--|
| a. Aurangabad Textiles & Apparel Parks Limited | b. New City Of Bombay Mfg. Mills Limited |
|--|--|

##### (v) Key Management Personnel (KMP)

- |  |
|--|
| a. Ashok B. Jiwrajka, Executive Director                             |
| b. Dilip B. Jiwrajka, Managing Director                              |
| c. Surendra B. Jiwrajka, Joint Managing Director                     |
| d. Sunil O. Khandelwal, Executive Director & Chief Financial Officer |
| e. K. H. Gopal, Executive Director & Secretary                       |
| f. Alok A. Jiwrajka – Vice President                                 |
| g. Niraj D. Jiwrajka – Vice President                                |
| h. Varun S. Jiwrajka – Vice President                                |

##### (vi) Firms in which KMP and Relatives of KMP are interested

- |                            |
|----------------------------|
| a. AVAN Packaging & Boards |
| b. Linear Design           |
| c. C. J. Corporation       |

# Notes to Financial Statements

for the Year ended 31 March 2016

## II. Transactions with related parties are as below.

(₹ Crores)

	Transaction	Associate companies	Entities under common control	Subsidiaries	Joint Venture Companies	Total
a)	Long term loans and advances (Alok Infrastructure Limited)					
	Balance as at 1 April/1 Oct	- (-)	- (-)	1,428.54 (1,467.87)	- (-)	1,428.54 (1,467.87)
	Granted / adjusted during the year / period	- (-)	- (-)	409.14 (535.73)	- (-)	409.14 (535.73)
	Recovered / adjusted during the year / period (net)	- (-)	- (-)	368.54 (460.06)	- (-)	368.54 (460.06)
	Provided / Written off during the year / period	- (-)	- (-)	212.97 (115.00)	- (-)	212.97 (115.00)
	Balance as at 31 March	- (-)	- (-)	1,256.17 (1,428.54)	- (-)	1,256.17 (1,428.54)
b)	Short term loans and advances					
	Balance as at 1 April/1 Oct	- (-)	- (0.01)	285.49 (156.51)	- (-)	285.49 (156.52)
	Granted / adjusted during the year / period	- (-)	0.01 (-)	465.38 (313.63)	- (-)	465.38 (313.63)
	Received / adjusted during the year / period (net)	- (-)	- (-0.01)	- (184.65)	- (-)	- (184.64)
	Balance as at 31 March	- (-)	0.01 (-)	750.85 (285.49)	- (-)	750.85 (285.49)
c)	Non-current investments					
	Balance as at 1 April/1 Oct	- (-)	219.00 (-)	1.36 (1.36)	92.38 (92.38)	312.74 (93.74)
	Invested during the period *Rs. 16,985/-	- (-)	- (219.00)	- (0.00)*	- (-)	- (219.00)
	Provided during the year	- (-)	54.75 (-)	- (-)	- (-)	54.75 (-)
	Balance as at 31 March	- (-)	164.25 (219.00)	1.36 (1.36)	92.38 (92.38)	257.99 (312.74)
d)	Trade Receivables					
	Balance as at 31 March	0.03 (0.03)	- (-)	83.39 (106.36)	- (-)	83.42 (106.39)
e)	Trade payables					
	Balance as at 31 March	- (-)	55.71 (34.75)	0.12 (-)	- (-)	55.83 (34.75)
f)	Other Current Liabilities					
	Balance as at 31 March	- (-)	- (-)	288.71 (765.37)	- (-)	288.71 (765.37)
g)	Guarantees outstanding					
	Balance as at 1 April/1 Oct	- (-)	- (-)	1,747.44 (2,642.48)	- (-)	1,747.44 (2,642.48)
	Given during the year / period / exchange restatement	- (-)	- (-)	82.70 (1,392.98)	- (-)	82.70 (1,392.98)

# Notes to Financial Statements

for the Year ended 31 March 2016

	Transaction	Associate companies	Entities under common control	Subsidiaries	Joint Venture Companies	Total
	Expired / adjusted during the year / period	- (-)	- (-)	944.07 (2,288.02)	- (-)	944.07 (2,288.02)
	Balance as at 31 March	- (-)	- (-)	886.07 (1,747.44)	- (-)	886.07 (1,747.44)
h)	Sales of Goods ** Rs. 38,063	- (0.03)	- (-)	185.69 (1,336.83)	0.00** (0.00)	185.70 (1,336.86)
i)	Expenditure					
	Purchase of Raw Materials	- (-)	99.70 (253.37)	- (-)	- (13.50)	99.70 (266.87)
	Purchase of Fixed Assets	- (-)	- (-)	0.37 (30.29)	- (-)	0.37 (30.29)
	Sales Promotion Expenses	- (-)	- (-)	- (0.35)	- (-)	- (0.35)
	Rent	- (-)	- (2.97)	8.90 (12.88)	- (-)	8.90 (15.85)
	Commission on Sales	- (-)	- (-)	4.16 (219.98)	- (-)	4.16 (219.98)
j)	Dividend Paid	- (-)	- (11.91)	- (-)	- (-)	- (11.91)
k)	Income					
	Dividend	- (-)	- (-)	- (-)	1.58 (1.47)	1.58 (1.47)
	Rent	- (-)	- (-)	0.05 (0.59)	- (-)	0.05 (0.59)
	Interest	- (-)	23.30 (-)	- (-)	- (-)	23.30 (-)

## Transaction with KMPs

(₹ Crores)

	Transactions	Key Management Personnel	Firms in which KMP and Relatives of KMP are interested
a)	Trade receivables		
	Balance as at 31 March	- (-)	- (0.04)
b)	Staff Loan		
	Balance as at 1 April/1 Oct	0.08 (0.23)	
	Repaid during the year	0.06 (0.15)	
	Balance as at 31 March	0.02 (0.08)	- (-)
c)	Trade payables		
	Balance as at 31 March	13.33 (11.25)	26.08 (16.83)

# Notes to Financial Statements

for the Year ended 31 March 2016

	Transactions	Key Management Personnel	Firms in which KMP and Relatives of KMP are interested
d)	Sales of Goods	- (-)	1.40 (0.31)
e)	Expenditure		
	Purchase of raw material / Job work charges	- (-)	- (8.97)
	Purchase of packing material	- (-)	45.60 (65.55)
	Consultancy charges	- (-)	0.96 (1.66)
	Remuneration #	7.72 (18.70)	- (-)
f)	Dividend paid	- (3.71)	- (-)
g)	Rent received	- (-)	0.12 (0.19)

Note: Previous period figures are given in brackets

# Excludes gratuity and long term compensated absences, wherever applicable which are actuarially valued at Company level and where separate amounts are not identifiable

For ESOS to KMP refer Note no.31

III. Out of the above items, transaction in excess of 10% of the total Related Party transactions are as under:

(₹ Crores)		
Transaction	31-Mar-16	31-Mar-15
a) Long / Short-term loans & advances		
i) Granted during the period		
<b>Subsidiary companies:</b>		
Alok International Inc.	53.54	243.92
Alok International (Middle East) FZE	-	57.15
Alok Global Trading (ME) FZE	61.05	-
Alok Worldwide Limited	340.49	-
Alok Infrastructure Limited	409.14	-
	823.62	301.07
Recovered / adjusted during the period		
<b>Subsidiary companies :</b>		
Alok Infrastructure Limited	368.54	62.62
Alok Industries International Limited	-	27.27
Alok International Inc.	-	85.68
	368.54	175.57
Provided / written off during the period		
<b>Subsidiary company-</b>		
Alok Infrastructure Limited	212.97	115.00

# Notes to Financial Statements

for the Year ended 31 March 2016

		(₹ Crores)	
Transaction		31-Mar-16	31-Mar-15
<b>Entities Under Common Control</b>			
	Triumphant Victory Holdings Limited	54.75	-
b)	Non-current investment :		
	Invested during the period		
<b>Entities Under Common Control :</b>			
	Triumphant Victory Holdings Limited	-	219.00
c)	Trade Receivables		
<b>Subsidiary companies</b>			
	Alok International Inc.	47.74	70.71
	Grabal Alok (UK) Limited	33.34	32.78
		81.08	103.49
d)	Trade Payables		
<b>Entities Under Common Control</b>			
	Alok Denim (India) Limited	52.91	31.94
		52.91	31.94
e)	Other Current Liabilities		
<b>Subsidiary companies</b>			
	Alok Singapore Pte. Ltd.	158.50	563.91
	Alok International (Middle East) FZE	130.21	201.46
		288.71	765.37
f)	Sale of goods :		
<b>Subsidiary companies</b>			
	Alok International Inc.	-	54.32
	Alok International (Middle East) FZE	85.24	516.13
	Alok Singapore Pte. Ltd.	91.63	740.13
		176.87	1,310.58
<b>Firms in which KMP and relatives of KMP interested</b>			
	C. J. Corporation	-	0.31
g)	Expenditure :		
i)	Purchase of Raw Materials		
<b>Entities Under Common Control</b>			
	Alok Denims (India) Private Limited	99.70	253.37
<b>Joint Venture Companies</b>			
	New City of Bombay Mfg. Mills Limited	-	-
	Aurangabad Textiles & Apparel Parks	-	12.51
ii)	Purchase of packing material		
<b>Firms in which KMP and relatives of KMP interested</b>			
	C. J. Corporation	45.60	65.55
iii)	Purchase of fixed assets		
<b>Subsidiary companies</b>			
	Alok Infrastructure Limited	0.37	30.29
iv)	Rent		
<b>Entities Under Common Control</b>			
	Alok Knit Exports Limited	-	2.97
<b>Subsidiary companies</b>			



# Notes to Financial Statements

for the Year ended 31 March 2016

		(₹ Crores)	
Transaction		31-Mar-16	31-Mar-15
Alok Infrastructure Limited		8.90	12.88
vi) Consultancy charges			
<b>Firms in which KMP and relatives of KMP interested</b>			
AVAN Packaging & Boards		0.96	1.66
vii) Sales Promotion Expenses			
<b>Subsidiary companies</b>			
Alok Infrastructure Limited		-	0.35
viii) Commission on Sales			
<b>Subsidiary companies</b>			
Alok International Inc. (net of reversal of excess provision made in the earlier year Rs. 45.11 crore in current year)		(40.79)	60.96
Alok International (Middle East) FZE		12.36	80.72
Alok Singapore Pte. Ltd.		32.19	78.30
		4.03	219.98
ix) Remuneration:			
<b>Key Management Personnel</b>			
Ashok B. Jiwrajka		1.47	4.58
Surendra B. Jiwrajka		1.47	4.58
Dilip B. Jiwrajka		1.47	4.58
Sunil O. Khandelwal		1.23	-
K. H. Gopal		1.19	-
		6.83	13.74
h) Dividend paid :			
<b>Key Management Personnel</b>			
Surendra B. Jiwrajka		-	1.08
Ashok B. Jiwrajka		-	1.01
Dilip B. Jiwrajka		-	1.03
		-	3.12
<b>Entities Under Common Control</b>			
Alok Knit Exports Limited		-	11.87
i) Dividend Income :			
<b>Joint Venture Companies</b>			
New City of Bombay Mfg. Mills Limited		1.46	1.35
Aurangabad Textiles & Apparel Parks Limited		0.12	0.12
		1.58	1.47
j) Rent received:			
<b>Subsidiary companies</b>			
Alok Infrastructure Limited		0.05	0.59
<b>Firms in which KMP and relatives of KMP interested</b>			
Linear Design		0.10	0.15
C. J. Corporation		0.02	-
k) Guarantee given:			
<b>Subsidiary companies</b>			
Alok Worldwide Limited		-	782.39

# Notes to Financial Statements

for the Year ended 31 March 2016

(₹ Crores)		
Transaction	31-Mar-16	31-Mar-15
Alok Singapore Pte Ltd	-	460.37
Grabal Alok (UK) Limited	11.65	-
Alok International (Middle East) FZE	38.15	150.22
l) Guarantee expired/adjusted:	49.80	1,392.98
<b>Subsidiary companies</b>		
Alok Industries International Limited	20.52	572.59
Alok Worldwide Limited	312.95	-
Alok Singapore Pte Ltd	460.37	671.58
Alok International (Middle East) FZE	150.22	1,035.82
	944.06	2279.99
m) Guarantee outstanding as at Balance sheet date		
<b>Subsidiary companies</b>		
Alok Industries International Limited	236.32	243.51
Alok Singapore Pte Ltd	-	460.37
Alok International (Middle East) FZE	-	150.22
Alok Worldwide Limited	497.50	782.39
Grabal Alok (UK) Limited	102.12	110.95

## B. Joint Venture

The Company has interests in the following jointly controlled entities, which are incorporated in India.

(₹ Crores)							
Name of the Company	Country of Incorporation	% of share holding	Amount of interest				
			Assets	Liabilities	Income	Expense	Contingent Liability
New City of Bombay Mfg. Mills Limited #	India	49.00%	89.43	53.48	90.25	88.45	0.16
		(49.00%)	(53.06)	(18.90)	(115.35)	(110.74)	(0.12)
Aurangabad Textile and Apparel Park Limited ##	India	49.00%	16.35	8.43	21.04	20.84	@
		(49.00%)	(14.85)	(6.87)	(49.22)	(48.31)	-

# unaudited for current year and audited for previous period

## audited for current year and for previous period

@ Company share for contingent liability

i) For unpaid property tax on land under litigation / encroachment - amount unascertainable.

ii) For unpaid Income tax demand for AY 2013-14 is Rs 73,319/- (Previous period Rs. Nil)

Previous period figures are given in brackets.

# Notes to Financial Statements

## for the Year ended 31 March 2016

### 33 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 Rs.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
19,129,600 (23,022,850)	- (-)	- (202,300)	2,013,100 (3,690,950)	17,116,500 (19,129,600)

Figures in brackets indicate previous period numbers.

#### ESOS granted to KMP :

Name of KMP	31-Mar-16	31-Mar-15
Sunil O Khandelwal	90,250	90,250
K. H. Gopal	82,550	82,550

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 Rs. 0.37 Crores (Previous period Rs. 3.48 Crores) and EPS would be lower by Rs. 0.001 (Previous period Rs.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 Rs.1.82

### 34 Earnings per share (EPS)

	31-Mar-16	31-Mar-15
a. Face value of equity shares per share (in Rupees)	10	10
b. <b>Basic and Diluted EPS</b>		
Net profit available for equity shareholders (in Rs. Crores)	(3,722.80)	348.76
Weighted average number of equity shares - Basic (Nos.)	137,73,17,895	137,71,66,632
Basic EPS (in Rs.)	(27.03)	2.53
Add: Effect of dilutive stock options (Nos.)	- *	4,89,587
Weighted average number of equity shares - Diluted (Nos.)	137,73,17,895	137,76,56,219
Diluted EPS (in Rs.)	(27.03)	2.53

\*Potential equity shares on account of stock options are ignored in the calculation of the diluted earnings per share since it is antidilutive.

### 35 Employee benefit plans:

#### i) Defined contribution plans:

Amounts recognized as expenses towards contributions to provident fund, and other similar funds by the Company are Rs. 4.83 Crores (Previous period Rs. 6.97 Crores).

#### ii) Defined benefit plans:

a) **Gratuity Plan:** The Company makes annual contribution to the Employee's Group Gratuity Assurance Scheme, a funded defined benefit plan for qualifying employees. The Fund invests in the scheme of insurance with the Life Insurance Corporation of India, First Life Insurance Company Limited, SBI Life Insurance Company Limited and Canara HSBC Oriental Bank of Commerce. 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 Year ended 31 March 2016

The following table sets out the status of the gratuity plan for the year ended 31 March 2016 as required under AS 15 (Revised)  
(₹ Crores)

Particulars	Gratuity (funded) as on 31-Mar-16	Gratuity (funded) as on 31-Mar-15
<b>Change in Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	32.01	24.94
Current Service Cost	5.94	7.97
Interest Cost	2.53	3.99
Actuarial (Gain)	(0.24)	(0.51)
Past Service cost – Vested Benefit	-	-
Benefits Paid	(4.03)	(4.38)
Closing Defined Benefit Obligation	<b>36.21</b>	<b>32.01</b>
<b>Change in Fair Value of Plan Assets</b>		
Opening Fair value of Plan Assets	15.56	12.51
Expected Return on Plan Assets	1.33	1.78
Actuarial gain/(loss)	(0.29)	0.69
Contribution by Employer	0.50	4.96
Benefits Paid	(3.94)	(4.38)
Closing fair value of plan assets	<b>13.16</b>	<b>15.56</b>
<b>Net Liability recognised in the Balance Sheet</b>	<b>23.05</b>	<b>16.45</b>
<b>Expense recognised in statement of Profit and Loss</b>		
Current Service Cost	5.94	7.97
Interest on Defined Benefit Obligation	2.53	3.99
Expected Return on Plan Assets	(1.33)	(1.78)
Net Actuarial Gain	0.05	(1.20)
<b>Total included in employment expenses</b>	<b>7.20</b>	<b>8.98</b>
<b>Actual return on Plan Assets</b>	<b>1.04</b>	<b>2.47</b>
<b>Investments details</b> (Invested through Trustees of Alok Industries Limited Employees Group Gratuity Assurance Scheme) :		
Insurer Managed Funds	13.16	15.56
	100.00%	100.00%
<b>The assumptions used in accounting for the gratuity are set out below:</b>		
Discount rate	7.90%	7.90%
Rate of increase in compensation levels of covered employees	9.00%	9.00%
Expected Rate of return on plan assets *	7.90%	8.50%
<b>Future contribution :</b>		
Amount expected to be contributed in the next 12 months	31.78	5.00

\* 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 by respective insurance companies, 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 Financial Statements

## for the Year ended 31 March 2016

**Experience Adjustments:**

(₹ Crores)

Particulars	Period / Year Ended				
	31-Mar-16	31-Mar-15	30-Sep-13	31-Mar-12	31-Mar-11
Defined benefit obligation	36.21	32.01	24.94	19.78	15.08
Plan Assets	13.16	15.56	12.51	7.08	4.49
Surplus / (Deficit)	(23.05)	(16.45)	(12.43)	(12.70)	(10.59)
Experience Adjustments on Plan Liabilities	(0.96)	(4.93)	(1.52)	1.09	(0.67)
Experience Adjustments on Plan Assets	(0.29)	0.69	(0.06)	0.26	0.08

**Asset Allocation:**

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.

- 36 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 provisions of Accounting Standard (AS) 17 "Segment Reporting", no disclosures related to segments are presented in these stand-alone financial statements.
- 37 The Outstanding Derivative Instruments and un-hedged foreign currency exposure is as follows :
- Nominal amounts of derivative contracts entered into by the company for hedging currency risk and outstanding as on 31 March 2016 amount to Rs. NIL (Previous period Rs. 240.98 Crores). Category wise break-up is given below.

(₹ Crores)

Sr. No.	Particulars	31-Mar-16	31-Mar-15
1	Interest Rate Swaps (JPY/INR)	-	-
2	Foreign Currency Options *	-	209.68
3	Foreign Exchange forward contracts		
	- for receivable	-	31.30
	<b>Total</b>	<b>-</b>	<b>240.98</b>

\* Represents monthly currency option for receivables, maturing over a period of 1 years

- The year / period end foreign currency exposure that has not been hedged by derivative instruments or otherwise are as below :
  - Amount receivable in foreign currency on account of following :**

(In Crores)

Particulars	Foreign Currency	31-Mar-16		31-Mar-15	
		Amount in foreign currency	Rupees	Amount in foreign currency	Rupees
Trade Receivables	USD	2.40	158.92	1.56	97.76
	EUR	0.05	3.88	0.18	11.87
	GBP	0.00	0.41	0.00	0.14
	JPY	(0.08)	(0.05)	-	-
Loans and Advance	USD	11.52	764.34	4.58	286.54
	GBP	-	-	0.00	0.13
	EUR	0.01	0.61	0.05	3.09
	CHF	0.00	0.12	0.03	1.97
	JPY	0.24	0.14	0.18	0.09
	BDT	0.00	0.01	0.02	0.02
	HKD	-	-	0.00	0.03

# Notes to Financial Statements

for the Year ended 31 March 2016

b) Amount payable in foreign currency on account of the following :

(In Crores)

Particulars	Foreign Currency	31-Mar-16		31-Mar-15	
		Amount in foreign currency	Rupees	Amount in foreign currency	Rupees
Secured Loans	USD	23.03	1527.53	25.78	1613.51
	EUR	3.20	240.05	3.20	215.80
Unsecured Loan	USD	5.43	359.95	-	-
	EUR	0.89	66.63	0.89	59.90
Interest accrued but not due on loans	USD	0.64	42.45	0.27	16.65
	EUR	0.02	1.30	0.01	0.38
Interest accrued and due	USD	0.51	34.02	0.07	4.56
	EUR	0.02	1.74	0.02	1.63
Trade Payables	USD	1.97	130.35	1.06	66.33
	JPY	0.20	0.12	1.28	0.66
	EUR	0.18	13.55	0.17	11.23
	CHF	0.00	0.17	0.00	0.17
	GBP	0.00	0.38	0.00	0.43
	AED	0.16	2.90	0.26	4.38
	DKK	0.00	0.02	0.00	0.02
Advance from Customers	USD	54.37	3,606.76	59.10	3,699.33
	EUR	0.14	10.49	0.14	9.42
	JPY	0.05	0.03	0.14	0.07

c) Corporate guarantees / Stand By Letter of Credit given in foreign currency on account of following :

(In Crores)

Particulars	Foreign Currency	31-Mar-16		31-Mar-15	
		Amount in foreign currency	Rupees	Amount in foreign currency	Rupees
Corporate guarantees / Standby Letter of Credit given to banks for loans taken by subsidiary companies	USD	11.64	771.97	26.15	1636.48
	GBP	1.20	114.10	1.20	110.96

38 Additional information

a) Sales for the period in broad heads

(₹ Crores)

Particulars	31-Mar-16	31-Mar-15
<b>Sale of Product</b>		
Cotton & Cotton yarn	402.79	329.74
Fabric	8,843.43	16,848.01
Home textile	742.68	2,264.30
Garment	72.07	178.11
Polyester	1,737.43	2,626.36
Others	2.57	12.00
<b>Total</b>	<b>11,800.97</b>	<b>22,258.52</b>



# Notes to Financial Statements

for the Year ended 31 March 2016

b) **Raw Material Consumption for the period in broad heads**

(₹ Crores)

Particulars	31-Mar-16	31-Mar-15
Cotton & Cotton yarn	623.86	1,518.70
Fabric (Refer note below)	7,140.17	6,511.65
Polyester	1,215.24	1,845.88
Others	136.79	330.85
<b>Total</b>	<b>9,116.06</b>	<b>10,207.08</b>

c) **Inventory of Work-in-progress as at 31 March 2015 in broad heads**

(₹ Crores)

Particulars	31-Mar-16	31-Mar-15
Cotton & Cotton Yarn	19.58	20.20
Fabric	35.90	564.22
Home textile	91.48	91.44
Garment	4.59	10.35
Polyester	20.23	26.35
Others	0.31	0.19
<b>Total</b>	<b>172.09</b>	<b>712.75</b>

39 (i) **CIF Value of imports**

(₹ Crores)

Particulars	31-Mar-16	31-Mar-15
- Capital Goods purchased	2.02	31.01
- Stores & Spares purchased	39.12	14.03
- Raw Material purchased	537.26	468.51
- Packing Materials purchased	-	4.78
<b>Total</b>	<b>578.40</b>	<b>518.33</b>

(ii) **Expenditure in foreign currency**

(₹ Crores)

Nature of Expenses	31-Mar-16	31-Mar-15
Commission on sales	6.44	230.24
Interest on term loan	134.71	186.67
Legal and professional fees	1.18	1.85
Sales promotion expenses	13.66	3.54
Bank charges	3.13	5.77
Miscellaneous expenses	4.03	11.75
<b>Total</b>	<b>163.15</b>	<b>439.82</b>

(iii) **Value of raw materials, stores and spares consumed during the year / period.**

(₹ Crores)

	31-Mar-16				31-Mar-15			
	Imported		Indigenous		Imported		Indigenous	
	Value	% of Total Consumption	Value	% of Total Consumption	Value	% of Total Consumption	Value	% of Total Consumption
Raw Materials	541.43	5.94%	8,574.63	94.06%	468.89	4.59%	9,738.19	95.41%
Stores and Spares	38.81	74.25%	13.46%	25.75%	14.66	18.63%	64.04	81.37%
Packing Materials	1.64	1.68%	96.22	98.32%	2.56	1.78%	140.93	98.22%

# Notes to Financial Statements

## for the Year ended 31 March 2016

(iv) **Earnings in foreign exchange**

(₹ Crores)

Particulars	31-Mar-16	31-Mar-15
- FOB Value of Exports	1,126.42	3,513.82

(v) **Dividend remitted in foreign exchange**

Particulars	31-Mar-16	31-Mar-15
Equity share		
No. of shareholders	-	02
No. of shares held by them	-	2,787,500
Dividend remitted during the period (Rs.)	-	8,36,250
Year to which dividend relates	-	For the period ended 30 September, 2013

40 **Operating Lease**

The Company has lease agreement for various premises which are in the nature of operating lease. The tenure of Lease arrangement ranges up to 1 year which are cancellable lease. There is no obligation for renewal of these lease agreements and are renewable by mutual consent. Lease payment recognised in the Statement of Profit & Loss is Rs.16.30 crores (previous period Rs. 29.09 crores).

41 **Disclosure Pursuant to Security and Exchange board of India ( Listing Obligations and Disclosures requirements) regulation, 2015 and section 186(4) of the Companies Act, 2013 are as under:**

- a. Loans and advances in the nature of loans given to subsidiaries/entities under common control utilised for the business purpose are as under :

(₹ Crores)

Name of the Company	Balance as at 31-Mar-16	Maximum balance during 12 months ended 31-Mar-16	Balance as at 31-Mar-15	Maximum balance during 18 months ended 31-Mar-15
Alok Infrastructure Limited	1,469.14	1,535.46	1,428.54	1,938.91
Alok Industries International Limited	5.04	5.04	4.75	25.02
Alok International Inc.	275.80	275.80	222.26	229.82
Alok Singapore Pte Ltd	12.70	14.50	0.31	0.31
Alok International (Middle East) FZE	55.06	68.67	57.15	227.78
Alok Worldwide Limited	340.77	340.81	0.28	0.48
Alok Global Singapore Pte Ltd	0.00	0.08	0.08	0.08
Alok Trading Singapore Pte Ltd	0.00	0.08	0.08	0.08
Alok Merchant Singapore Pte Ltd	0.00	0.08	0.08	0.08
Alok Universal Singapore Pte Ltd	0.00	0.08	0.08	0.08
Alok Global Trading (ME) FZE	61.36	64.51	0.31	0.31
Grabal Alok International Limited	0.12	0.12	0.11	0.11
Triumphant Victory Holdings Limited	0.01	0.01	-	-

# Notes to Financial Statements

## for the Year ended 31 March 2016

b. Investments made – Refer Note No. 12

c. Corporate Guarantees given by the Company in respect of loans taken by subsidiary companies (proposed to be utilised for business)

Sr. No.	Name of the Company	31-Mar-16	31-Mar-15
1.	Alok Industries International Limited	236.32	243.51
2.	Grabal Alok (UK) Limited	114.10	110.95
3.	Alok Singapore Pte Ltd.	-	460.37
4.	Alok Worldwide Limited	497.50	782.39
5.	Alok International (Middle East) FZE	38.15	150.22
<b>Total</b>		<b>886.07</b>	<b>1747.44</b>

d. Security provided – Refer Note no. 12 (utilised for business purpose)

### 42 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects.

A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Sr. No.	Particulars	Rs. in crores
a	Gross amount required to be spent by the company during the year	13.05
b	Amount spent during the year on	-

43 Certain creditors/lenders have filed winding up petitions in the Bombay Court for non-payment of their dues / instalments / interest etc. The Company has taken appropriate measures to defend itself in this regard.

44 The Company is yet to pay the debenture interest payment due for a period beyond one year as at the Balance sheet date. This attracts the provisions of Section 164 (2) of the Companies Act, 2013 as per which all directors retiring by rotation at the ensuing Annual General Meeting and eligible for reappointment render themselves ineligible for such reappointment. Further, Section 167 of the said Act appears ambiguous regarding the vacation of the Board, if and when such a contravention continues. The Company is informed that the Company Law Committee appointed by the Government of India has already recommended appropriate amendments to Section 167 to remove the apparent ambiguity. The Company is further informed the recommendation has been incorporated in the Companies (Amendment) Bill, 2016 which has been introduced in the Lok Sabha for discussion and is pending for confirmation.

45 The previous financial year of the Company was for a period of 18 months from 1 October 2013 to 31 March 2015, whereas the current financial year of the Company is for a 12 months from 1 April 2015 to 31 March 2016. The figure of the two periods are therefore not strictly comparable.

# Notes to Financial Statements

## for the Year ended 31 March 2016

- 46 Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure and are given in brackets.

Signatures to Notes 1 to 46

For and on behalf of the Board

**Ashok B. Jiwrajka**

(Executive Director)

DIN -00168350

**Dilip B. Jiwrajka**

(Managing Director)

DIN -00173476

**Surendra B. Jiwrajka**

(Joint Managing Director)

DIN -00173525

**Sunil O. Khandelwal**

(Executive Director & Chief Financial Officer)

DIN -06430362

**K. H. Gopal**

(Executive Director & Secretary)

DIN -06430369

Mumbai: 30th May 2016

# Consolidated Financial Statements

# Consolidated Financial Highlights

(₹ Crores)

Particulars	2015-16 (12 Months) (Audited)	2013-15 (18 Months) (Audited)	2012-13 (18 Months) (Audited)	2011-12 (12 Months) (Audited)	2010-11 (12 Months) (Audited)	2009-10 (12 Months) (Audited)	31-Mar-09 (12 Months) (Audited)
<b>Operating profits</b>							
Net Sales	13,040.90	24,153.06	21,388.36	9,784.72	6,614.90	4,424.34	3,090.78
Operating Profit	(2,301.75)	5,636.55	5,645.17	2,471.92	1,707.23	1,231.78	814.45
Depreciation	682.04	1,521.78	1,418.20	749.14	530.97	366.92	240.15
PBIT	(2,983.79)	4,114.77	4,226.97	1,722.78	1,176.26	864.86	574.30
Interest	2,690.54	3,512.72	2,813.62	1,234.70	675.03	578.90	341.03
PBT (operating)	(5,674.33)	602.05	1,413.35	488.08	501.24	285.96	233.27
PAT	(3,774.19)	258.26	296.72	92.99	311.54	137.71	74.05
Cash Profit	(2,085.45)	1,999.89	2,191.29	971.76	991.72	621.62	405.42
Dividend	-	-	49.25	28.81	22.97	22.97	17.28
Net Cash Accruals	(2,085.45)	1,999.89	2,142.04	942.95	968.75	598.65	388.14
<b>Financial Position</b>							
Gross Fixed Assets	14,417.72	14,285.84	14,225.40	12,420.50	11,658.85	9,324.23	7,131.31
Net Fixed Assets	8,175.37	8,734.09	10,132.01	9,776.58	8,413.83	8,167.03	6,333.86
Current Assets	17,200.94	19,854.70	15,296.66	9,172.06	6,207.90	5,015.46	3,075.21
Foreign Currency Translation A/c	-	-	-	-	-	0.17	11.20
Deferred tax asset (net)	1,062.47	-	-	-	-	-	-
Goodwill on consolidation	51.96	51.96	182.96	606.27	156.42	-	-
Investments	1,169.79	1,300.03	1,345.81	1,589.42	1,689.98	416.86	463.94
<b>Total Assets</b>	<b>27,660.53</b>	<b>29,940.78</b>	<b>26,957.44</b>	<b>21,144.33</b>	<b>16,468.13</b>	<b>13,599.52</b>	<b>9,884.21</b>
Equity Share Capital	1,377.33	1,377.33	1,377.13	826.28	787.79	787.79	196.97
Foreign Currency Translation A/c	-	-	-	-	-	-	-
Reserves & Surplus	(1,621.82)	2,265.04	2,108.03	2,033.10	2,004.27	1,717.14	1,394.40
Tangible Net worth	(244.49)	3,642.37	3,485.16	2,859.38	2,792.06	2,504.93	1,591.37
Share Application Money	-	-	-	-	-	227.57	329.06
Share Warrants	-	-	-	-	-	-	10.20
<b>Quasi Net worth - 1</b>	<b>(244.49)</b>	<b>3,642.37</b>	<b>3,485.16</b>	<b>2,859.38</b>	<b>2,792.06</b>	<b>2,732.50</b>	<b>1,930.63</b>
<b>Deferred tax liability (net) - 2</b>	<b>-</b>	<b>859.60</b>	<b>653.09</b>	<b>618.05</b>	<b>500.30</b>	<b>402.96</b>	<b>306.40</b>
<b>Total Long Term Borrowings</b>							
Secured Loans	7,963.14	7,189.50	9,021.10	7,937.60	6,842.66	6,763.85	5,226.57
Unsecured Loans - FCCB	-	-	-	-	-	107.21	121.01
Unsecured Loans	797.81	1,301.10	1,054.89	579.36	321.82	724.21	127.51
	8,760.95	8,490.60	10,075.99	8,516.96	7,164.48	7,595.27	5,475.09



# FAITH FOCUS COMMITMENT

29<sup>th</sup> Annual Report | 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016

(₹ Crores)

Particulars	2015-16 (12 Months) (Audited)	2013-15 (18 Months) (Audited)	2012-13 (18 Months) (Audited)	2011-12 (12 Months) (Audited)	2010-11 (12 Months) (Audited)	2009-10 (12 Months) (Audited)	31-Mar-09 (12 Months) (Audited)
<b>Total Short Term Borrowings</b>							
Secured Loans	2,628.38	2,341.41	2,808.46	2,888.86	2,192.26	1,186.19	608.64
Unsecured Loans	1,504.98	1,312.97	2,493.06	1,615.92	881.83	43.00	168.02
Working Capital Borrowings	9,180.84	5,863.54	4,554.51	3,028.73	1,884.39	848.11	704.72
	13,314.20	9,517.92	9,856.03	7,533.51	4,958.48	2,077.30	1,481.38
<b>Total Borrowings - 3</b>	22,075.15	18,008.52	19,932.02	16,050.47	12,122.96	9,672.57	6,956.47
Other Non Current Liabilities - 4	2,835.73	2,764.35	177.47	-	-	-	-
Current Liabilities & Provisions - 5	2,994.14	4,665.94	2,709.70	1,616.43	1,048.19	787.87	685.14
<b>Minority Interest - 6</b>	-	-	-	-	4.62	3.62	5.57
<b>Total Liabilities - 1 to 6</b>	27,660.53	29,940.78	26,957.44	21,144.33	16,468.13	13,599.52	9,884.21

# Auditors' Report on the Consolidated Financial Statements

## To the Members of Alok Industries Limited

We have audited the accompanying consolidated financial statements of **ALOK INDUSTRIES LIMITED** (the "Holding Company"), its subsidiaries (the Holding Company and its subsidiaries constitute "the Group"), its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (the "Consolidated Financial Statements").

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 auditors' 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 Holding 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and audit evidence obtained by other auditors in terms of their reports referred to in subparagraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements..

## Basis for Qualified Opinion

The consolidated financial statements include the unaudited financial statements of nine subsidiaries and one jointly controlled entity, whose financial statements reflect total assets (net) of Rs 1,833.56 crores as at 31<sup>st</sup> March, 2016, total revenue of Rs 1,275.08 crores and net cash outflows amounting to Rs 10.39 crores for the year 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 4.91 crores for the year ended 31<sup>st</sup> March, 2016, in respect 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, associates and jointly controlled entity, is based solely on such unaudited financial statements. We are not in a position to comment on the consequential impact, if any, arising out of subsequent audit of these entities, on the Consolidated Financial Statements. Our opinion on the Consolidated Financial Statements is modified in respect of our reliance on the financial statements/ financial information certified by the management. The audit report on the consolidated financial statements for the period ended 31<sup>st</sup> March, 2015 was also qualified in respect of this matter.

## 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 & associates referred to below in the Emphasis of Matter paragraph and Other Matters paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its Associate as at 31<sup>st</sup> March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

## Emphasis of Matter

We draw attention to the following matter in the Notes to the Financial Statements:

- i. Note No. 32 of the Financial Statement regarding certain events / conditions which could possibly impact the going concern assumption of the Company. In view of the invocation of 'Strategic Debt Restructuring' (SDR) pursuant to Reserve Bank of India guidelines, the Company has presented these financial statements on going concern basis.
- ii. Note No. 33 of the Financial Statement regarding recognition of net deferred tax asset of Rs.1051.85 crores on the basis of concrete measures taken by the Company for ramping up operations and enhancing operating efficiency, the company is virtually certain that there would be sufficient taxable income in future to offset the deferred tax asset considering timely infusion of working capital, running order book position, reliability of raw material supply and the technical viability report prepared by recognized industry experts.
- iii. Note No. 35 of the Financial Statement regarding realisable value of current assets and non-current assets after necessary provisions/write offs. In absence of technical and costing evaluation of these assets, impact of impairment, if any, on their economic value could not be ascertained.

Our Report is not qualified in respect of the above matters.

## Other Matters

We did not audit the financial statements of five subsidiaries and one jointly controlled entity, whose financial statements reflect total assets (net) of Rs 3,914.90 crores as at 31st March, 2016, total revenues of Rs 355.23 crores and net cash outflows amounting to Rs 18.56 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entity, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

## Report on other legal and regulatory requirements

1. As required under section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements except for the possible effects on matters described in the Basis of Qualified Opinion above;
  - (b) In our opinion, proper books of account as required by the law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors except for the possible effects on matters described in the Basis of Qualified Opinion above;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act;
- (e) The matter described under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Holding Company and the amounts disclosed in the consolidated financial statement of the Holding Company.
- (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company and jointly controlled company incorporated in India none of the directors of the Group its Jointly Controlled entities incorporated in India are disqualified as on 31st March, 2016 from being reappointed as a director in terms of Section 164(2) of the Act except the two directors of Holding company retiring by rotation at the ensuing Annual General Meeting of the Holding Company render themselves ineligible for reappointment in terms of Section 164(2) of the Act. We also draw attention to Note No. 46 of the Financial Statement regarding legal advice on the issue, according to which other directors of Holding Company can continue to function in that capacity;
- (g) With respect to the adequacy of the internal financial controls over financial reporting and operating effectiveness of such controls, refer to our separate report in "Annexure A"; which is based on the reports of the auditors' of Holding company, subsidiary companies, and jointly controlled entities incorporated in India; and
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigation on the consolidated financial position of the Group, its associates and jointly controlled entities. (Refer Note 30 to the consolidated financial statements);
  - ii. The Group, its associates and jointly controlled entities did not have any outstanding long-term contract including derivative contract as at 31st March, 2016 for which there were any material foreseeable losses; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiaries, Associate companies and jointly controlled companies incorporated in India.

For **SHAH GUPTA & CO.**  
Chartered Accountants  
Firm Registration No.: 109574W

**D. V. Ballal**  
Partner  
M. No. 13107  
Place : Mumbai  
Date : May 30, 2016

For **NBS & Co**  
Chartered Accountants  
Firm Registration No. 110100W

**N. B. Shetty**  
Partner  
M. No. 16718  
Place : Mumbai  
Date : May 30, 2016

# Annexure "A" to the Independent Auditor's Report on the Consolidated Financial Statements

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

## **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (THE "ACT")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March, 2016, we have audited the internal financial controls over financial reporting of **Alok Industries Limited** ("the Holding Company") its subsidiary company, its associate companies and jointly controlled entities which are companies incorporated in India, as of that date.

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

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

### **Auditors' Responsibility**

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

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

We believe that the audit evidence obtained by us and other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's, its associates and its jointly controlled entities, incorporated in India, internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to explanation given to us and based on the consideration of reports of other auditors, as referred to in the Other Matters paragraph, the Holding Company, its subsidiary company, associate companies and jointly controlled entities, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016, based on the internal control over financial reporting criteria established by these entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### **Other Matters**

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to :

- one subsidiary and one jointly controlled entity, companies which are incorporated in India, is based on the corresponding report of the auditor of such companies.
- Two associate companies and one jointly controlled entity, companies which are incorporated in India and which are subject to the statutory audit under the provisions of Companies Act, 2013, have not been considered for reporting, in the absence of audit report of respective companies till the date of issuing our report.

Our Report is not qualified in respect of these matters.

**For SHAH GUPTA & CO.**  
Chartered Accountants  
Firm Registration No.: 109574W

**D. V. Ballal**  
Partner  
M. No. 13107  
Place : Mumbai  
Date : May 30, 2016

**For NBS & Co**  
Chartered Accountants  
Firm Registration No. 110100W

**N. B. Shetty**  
Partner  
M. No. 16718  
Place : Mumbai  
Date : May 30, 2016

# Consolidated Balance Sheet

as at 31 March 2016

(₹ Crores)

PARTICULARS	Notes	AS AT 31-Mar-16	AS AT 31-Mar-15
<b>I EQUITY AND LIABILITIES</b>			
(1) <b>Shareholders' Funds</b>			
Share Capital	2	1,377.33	1,377.33
Reserves and Surplus	3	(1,621.82)	2,265.04
(2) <b>Non-current Liabilities</b>			
Long-term Borrowings	4	8,760.94	8,490.59
Deferred Tax Liabilities (net)	5(b)	0.40	868.55
Other Long-term liabilities	6	2,835.73	2,764.35
Long-term provisions	7	29.47	21.29
(3) <b>Current Liabilities</b>			
Short-term Borrowings	8	111,59.65	7,201.33
Trade payables			
Total due to Micro and Small Enterprises	9	12.23	15.27
Total due to others	9	1,426.72	3,634.06
Other current liabilities	10	3,565.38	3,063.01
Short-term provisions	7	114.89	248.90
<b>TOTAL</b>		<b>27,660.92</b>	<b>29,949.73</b>
<b>II ASSETS</b>			
(1) <b>Non-current Assets</b>			
Fixed assets			
Tangible assets	11	8,124.85	8,620.18
Intangible assets	11	9.52	14.41
Capital work-in-progress		41.00	99.01
Intangible asset under development		-	0.49
Goodwill on Consolidation		51.96	51.96
Non-current Investments	12	1,169.79	1,300.03
Deferred tax assets (net)	5(c)	1,062.87	8.95
Long-term Loans & Advances	13	224.77	444.87
(2) <b>Current Assets</b>			
Current Investments	14	-	2.81
Inventories	15	8,294.11	8,543.00
Trade receivables	16	7,681.45	7,677.48
Cash & Bank Balances	17	169.50	693.54
Short-term Loans & Advances	18	756.88	2,340.65
Other current assets	19	74.22	152.35
<b>TOTAL</b>		<b>27,660.92</b>	<b>29,949.73</b>
III Notes forming part of the financial statements	1 to 49		

As per our report of even date attached

**For Shah Gupta & Co.**  
Chartered Accountants  
FRN - 109574W

**D. V. Ballal**  
Partner  
M. No.: 13107

**For NBS & Co.**  
Chartered Accountants  
FRN - 110100W

**N.B. Shetty**  
Partner  
M. No.: 16718

For and on behalf of the Board

**Ashok B. Jiwrajka**  
(Executive Director)  
DIN - 00168350

**Surendra B. Jiwrajka**  
(Joint Managing Director)  
DIN - 00173525

**K. H. Gopal**  
(Executive Director & Secretary)  
DIN - 06430369

**Dilip B. Jiwrajka**  
(Managing Director)  
DIN - 00173476

**Sunil O. Khandelwal**  
(Executive Director & Chief Financial Officer)  
DIN - 06430362

Place: Mumbai  
Date: 30th May 2016

Place: Mumbai  
Date: 30th May 2016

# Consolidated Statement of Profit and Loss

for the year ended 31 March 2016

(₹ Crores)

PARTICULARS	NOTES	Year ended 31-Mar-16	18 Months ended 31-Mar-15
<b>I REVENUE</b>			
Revenue from Operations (gross)	20	13,211.36	24,382.95
Less : Excise Duty		170.46	229.89
<b>Revenue from Operations (net)</b>		<b>13,040.90</b>	<b>24,153.06</b>
<b>II Other Income</b>	21	<b>93.12</b>	<b>467.20</b>
<b>III Total Revenue</b>		<b>13,134.02</b>	<b>24,620.26</b>
<b>IV EXPENSES</b>			
Cost of materials consumed		9,186.24	10,362.98
Purchase of Traded Goods		618.81	1,033.36
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	591.11	4,500.98
Employee benefits expense	23	496.82	762.89
Finance costs	24	2,690.54	3,512.72
Depreciation and amortisation expense	11	682.04	1,521.78
Other expenses	25	4,542.79	2,323.50
<b>Total Expenses</b>		<b>18,808.35</b>	<b>24,018.21</b>
<b>V Profit before exceptional items and tax</b>		<b>(5,674.33)</b>	<b>602.05</b>
<b>VI Exceptional items</b>	47	<b>-</b>	<b>(131.00)</b>
<b>VII Profit before tax</b>		<b>(5,674.33)</b>	<b>471.05</b>
<b>VIII Tax Expense</b>			
- Current tax	5(a)	(60.88)	97.97
Less : MAT credit entitlement		87.74	(87.74)
Net current tax		26.86	10.24
- Deferred tax	5(b) & (c)	(1,922.05)	206.51
<b>Total Tax expenses</b>		<b>(1,895.19)</b>	<b>216.74</b>
<b>IX Profit/(Loss) for the year/period before share of profit from associates</b>		<b>(3,779.14)</b>	<b>254.30</b>
<b>X Share of profit from associates (net)</b>		<b>4.95</b>	<b>3.95</b>
<b>XI Net Profit/(Loss) for the year/period</b>		<b>(3,774.19)</b>	<b>258.26</b>
<b>XII EARNINGS PER SHARE (in Rs.) Face Value (Rs. 10/-)</b>	38		
Basic		(27.40)	3.04
Diluted		(27.40)	3.04
<b>XIII Notes forming part of the financial statements</b>	1 to 49		

As per our report of even date attached

**For Shah Gupta & Co.**  
Chartered Accountants  
FRN - 109574W

**D. V. Ballal**  
Partner  
M. No.: 13107

**For NBS & Co.**  
Chartered Accountants  
FRN - 110100W

**N.B. Shetty**  
Partner  
M. No.: 16718

For and on behalf of the Board

**Ashok B. Jiwrajka**  
(Executive Director)  
DIN - 00168350

**Surendra B. Jiwrajka**  
(Joint Managing Director)  
DIN - 00173525

**K. H. Gopal**  
(Executive Director & Secretary)  
DIN - 06430369

**Dilip B. Jiwrajka**  
(Managing Director)  
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**Sunil O. Khandelwal**  
(Executive Director & Chief Financial Officer)  
DIN - 06430362

Place: Mumbai  
Date: 30th May 2016

Place: Mumbai  
Date: 30th May 2016



# Consolidated Cash Flow Statement

for the Year ended 31 March 2016

		(₹ Crores)	
PARTICULARS		Year Ended 31-Mar-16	18 Months ended 31-Mar-15
<b>A]</b>	<b>Cash Flow from Operating Activities</b>		
	Profit / (Loss) before tax	(5,674.33)	471.05
	<b>Adjustments for:</b>		
	Depreciation / Amortisation	682.04	1,521.78
	Diminution in the value of investment	55.47	-
	Provision for impairment of goodwill	-	131.00
	Provision for doubtful debts and advances	2,855.82	99.71
	Provision for doubtful debts and advances written back	(0.48)	(111.73)
	Sundry Credit Balances written back	(6.10)	(23.52)
	Exchange rate difference	92.06	(256.07)
	Dividend Income	(0.01)	(0.02)
	Interest Expense	2,216.20	3,052.67
	Interest Income	(74.42)	(180.90)
	Loss on sale of fixed assets (net)	2.46	0.15
	Loss on sale of investments (net)	17.52	3.98
	Operating Profit before working capital changes	<b>166.23</b>	<b>4,708.10</b>
	<b>Adjustments for</b>		
	Decrease/(Increase) in Inventories	261.21	(2,536.94)
	Increase in Trade Receivable	(2,814.92)	(2,569.11)
	Decrease/(Increase) in Loans and Advances	1,719.81	(198.43)
	(Decrease)/Increase in Liabilities and Provisions	(2,232.06)	4,552.38
	Cash (used in)/generated from operations	<b>(2,899.73)</b>	<b>3,956.00</b>
	Income Taxes Paid	(10.83)	(116.88)
	Net cash (used in)/generated from Operating Activities <b>[A]</b>	<b>(2,910.56)</b>	<b>3,839.12</b>
<b>B]</b>	<b>Cash flow from Investing Activities</b>		
	Purchase of fixed assets	(51.21)	(181.73)
	Sale of fixed assets / recovery of capital advance	6.66	5.33
	Refund of capital advance	10.60	261.44
	Purchase of Investments	-	(228.14)
	Proceeds from sale of Investments	65.01	274.28
	Fixed Deposits and earmarked balances (placed)/matured	422.18	(199.22)
	Dividend Received	0.01	0.02
	Interest Received	75.65	187.32
	Inter Corporate deposits Given	0.50	(87.03)
	Inter Corporate deposits refunded	-	123.87
	Net cash generated from Investing Activities <b>[B]</b>	<b>529.40</b>	<b>156.14</b>

# Cash Flow Statement

for the Year ended 31 March 2016

		(₹ Crores)	
PARTICULARS		Year Ended 31-Mar-16	18 Months ended 31-Mar-15
<b>C]</b>	<b>Cash flow from Financing Activities</b>		
	Proceeds from issue of Equity Share Capital (including premium)	-	0.20
	Proceeds from Term borrowings	3,944.39	5,389.77
	Repayment of Term Borrowings	(3822.16)	(7,970.18)
	Proceeds from short term borrowings (net)	3530.65	849.51
	Dividend Paid (Including Tax thereon)	(8.23)	(40.68)
	Interest Paid	(1,351.50)	(2,859.63)
	Net cash generated from /(used in) Financing Activities <b>[C]</b>	<b>2,293.15</b>	<b>(4,631.01)</b>
	<b>Net decrease in Cash and Cash equivalents (A+B+C)</b>	<b>(88.01)</b>	<b>(635.75)</b>
	<b>Cash and Cash equivalents at the beginning of the year/period</b>	<b>143.91</b>	<b>779.66</b>
	<b>Cash and Cash equivalents at the end of the year/period</b>	<b>55.90</b>	<b>143.91</b>

## NOTES TO CASH FLOW STATEMENT

### 1 Cash and Cash equivalents includes :

	31-Mar-16 (Rs. Crores)	31-Mar-15 (Rs. Crores)
Cash and Bank Balances	169.50	693.54
Less : Earmarked balances/deposits with bank	119.31	541.58
Less : Unrealised exchange rate difference	(5.71)	8.05
<b>Total Cash and Cash equivalents</b>	<b>55.90</b>	<b>143.91</b>

### 2 Cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 on Cash Flow Statement

Notes forming part of the financial statements

1 to 49

As per our report of even date attached

For and on behalf of the Board

**For Shah Gupta & Co.**  
Chartered Accountants  
FRN - 109574W

**For NBS & Co.**  
Chartered Accountants  
FRN - 110100W

**Ashok B. Jiwrajka**  
(Executive Director)  
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DIN - 06430362

**K. H. Gopal**  
(Executive Director & Secretary)  
DIN - 06430369

Place: Mumbai  
Date: 30th May 2016

Place: Mumbai  
Date: 30th May 2016

# Notes to Consolidated Financial Statements

## for the Year ended 31 March 2016

**1(A)** 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 in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on the accrual basis to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act.

#### 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 the same reporting period.

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 parents' 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.
- c) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.
- d) Dividend income is recognised when the right to receive dividend is established.

#### v Fixed Assets

##### a) Tangible Assets:

Fixed Assets are stated at cost of acquisition / construction or fair value less accumulated depreciation and impairment losses if any. Costs of acquisition comprises 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.

##### b) Intangible Assets:

Intangible assets are recognised only if it is probable that

# Notes to Consolidated Financial Statements

## for the Year ended 31 March 2016

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.

Brands under registration are carried at a cost as intangible asset under development and represents directly attributable cost.

### 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

#### Tangible Assets

- a) Depreciation on Tangible Fixed Assets is provided on Straight Line Method on the basis of useful life of assets specified in Part C of Schedule II to the Companies Act, 2013 except in respect of following assets, where useful life used is different than those prescribed in Part C of Schedule II :

Particulars	Depreciation
Plant & Machinery *	20 to 25 years
Factory Building *	50 to 60 years

\* Based on technical evaluation done by the Chartered Engineer, the management believes that the useful lives as given above, best represent, the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

- b) Continuous process plant is classified based on technical assessment and depreciation is provided accordingly.
- c) 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.

- d) Assets costing less than Rs 5,000/- are fully depreciated in the year of purchase.
- d) Cost of leasehold land is amortised over the period of lease.

#### Intangible Assets

Intangible Assets are amortized on the straight line method as per following estimated useful life

- a) Trademarks / Brands are amortised over a period of ten years from the date of capitalization.
- b) Computer software is amortised for a period of six years from the date of capitalization.

### 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 :

- a) All income and expense are translated at average rate.
- b) All monetary and non monetary assets and liabilities are translated at rate prevailing at the balance sheet date.
- c) 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 :

- a) All income and expenses are translated at the average rate of exchange prevailing during the period.
- b) Monetary assets and liabilities are translated at the closing rate on the balance sheet date.

# Notes to Consolidated Financial Statements

## for the Year ended 31 March 2016

- c) Non-monetary assets and liabilities and share capital is translated at historical rates.
- d) The resulting exchange difference is accounted in Exchange difference on translation account and charged / credited to the statement of profit and loss .
- e) The aforesaid items as translated are considered for the purpose of cash flow statement.

### 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 its present location and condition.

The net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

### 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 provides for gratuity, a defined benefit plan to eligible employees by participates in a group gratuity cum life insurance scheme administered through 'Alok Industries Limited Employees Group Gratuity Assurance Scheme' (the Fund). The Fund invest in the scheme of insurance with the Life Insurance Corporation of India, First Life Insurance Company Limited, SBI Life Insurance Company Limited and Canara HSBC Oriental Bank of Commerce. 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

# Notes to Consolidated Financial Statements

## for the Year ended 31 March 2016

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 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.

### xvix 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.



# Notes to Consolidated Financial Statements

for the Year ended 31 March 2016

## 2 SHARE CAPITAL

(₹ Crores)

PARTICULARS	As at 31-Mar-16	As at 31-Mar-15
<b>Authorised</b>		
150,00,00,000 Equity shares of ₹ 10/- each (Refer note no v below)	1,500.00	1,500.00
	1,500.00	1,500.00
<b>Issued and Subscribed</b>	1,377.33	1,377.33
1,377,317,895 (previous period 1,377,115,595) Equity shares of ₹10/- each	1,377.32	1,377.32
Add : 13,921 Equity Shares forfeited of ₹ 10/- each, ₹ 5/- paid up	0.01	0.01
	1,377.33	1,377.33

(i) Reconciliation of number of shares and amount outstanding at the beginning and end of the period

Particulars	As at 31-Mar-16		As at 31-Mar-15	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
<b>Equity shares of ₹10/- each</b>				
At the beginning of the period	1,377,317,895	1,377.32	1,377,115,595	1,377.12
Add : Shares issued		-	202,300	0.20
At the end of the period	1,377,317,895	1,377.32	1,377,317,895	1,377.32

a) The above includes, 22,485,000 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

Name of the Shareholder	As at 31-Mar-16		As at 31-Mar-15	
	No. of shares	%	No. of shares	%
Alok Knit Exports Private Limited	379,802,326	27.58	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. 37)

(v) During the year the Company was required to amend the Authorized Share Capital of the Company to ₹ 4,000 crore from ₹ 1,500 crore through an Extra Ordinary General Meeting (EOGM) in order to accommodate the conversion of debt into equity under the SDR provisions. A Singapore based bank led consortium through their security trustee, Hong Kong and Shanghai Banking Corporation (HSBC) filed a petition in the Bombay High Court for winding up the company and further prayed for stalling the EOGM to protect their interest. The Court, however, allowed the the EOGM to be conducted on submission of an affidavit by the Company that the resolutions passed at the EOGM for change in capital structure will not be implemented without obtaining prior written approval from HSBC. The Company is intending to file a letter to the Registrar of Companies, Ahmedabad citing the circumstances due to which the change in capital structure cannot be implemented.



# Notes to Consolidated Financial Statements

for the Year ended 31 March 2016

## 3 RESERVES AND SURPLUS

	(₹ Crores)	
	As at 31-Mar-16	As at 31-Mar-15
<b>Capital Reserve</b>		
Balance as per last Balance Sheet	12.03	12.03
	12.03	12.03
<b>Capital Reserve (on Consolidation)</b>		
Balance as per last Balance Sheet	14.52	14.52
	14.52	14.52
<b>Revaluation reserve</b>		
Balance as per last Balance Sheet	42.78	37.12
Add : on revaluation during the year/period	3.01	5.66
	45.79	42.78
<b>Capital Redemption Reserve</b>		
Balance as per last Balance Sheet	9.10	9.10
	9.10	9.10
<b>Securities premium account</b>		
Balance as per last Balance Sheet	993.65	993.65
	993.65	993.65
<b>General Reserve</b>		
Balance as per last Balance Sheet	282.44	281.66
Less : Prior period adjustment	(0.08)	-
Add: Transferred from Statement of Profit and Loss	-	0.78
	282.37	282.45
<b>Debenture Redemption Reserve</b>		
Balance as per last Balance Sheet	94.65	91.62
Less: Transferred (from) / to Statement of Profit and Loss (Refer note i & ii below)	(12.18)	3.03
	82.47	94.65
<b>Foreign Currency Translation Reserve</b>		
Balance as per last Balance Sheet	(414.40)	(329.33)
Add: for the year/period	(70.80)	(85.07)
	(485.20)	(414.40)
<b>Foreign Currency Monetary Item Translation Difference Account</b>		
Balance as per last Balance Sheet	(25.82)	(4.55)
Add : Addition during the year/period	(69.53)	(25.82)
Less : Amortisation for the year/period (Refer note ii below)	24.73	4.55
	(70.62)	(25.82)
<b>Surplus in Statement of Profit and Loss</b>		
Balance as per last Balance Sheet	1,256.09	1,002.21
Profit / (Loss) for the year/period	(3,774.19)	258.26
<b>Less : Appropriations</b>		
(i) Transferred to General Reserve	-	(0.78)
(ii) Transferred from/(to) Debenture Redemption Reserve (Refer note i below)	12.18	(3.03)
(iii) Corporate Dividend Tax thereon	-	(0.57)
(iv) Short provision of dividend and tax thereon	(0.01)	-
	(2,505.93)	1,256.09
	(1,621.82)	2,265.04

Note :

- Due to loss during the year and deficit in the Statement of Profit & Loss at the year end, no amount has been transferred to Debenture Redemption Reserve. Further, the amount transferred from Debenture Redemption Reserve to Statement of Profit & Loss is on account of redemption of debentures during the year 2015-2016 for which Debenture Redemption Reserve was created in the past.
- Amortisation for the period Includes ₹ 15.04 crore on account of long term advance received from customer for which the Company has given Export Performance Bank Guarantee which has been invoked by the customer during the year.

# Notes to Consolidated Financial Statements

for the Year ended 31 March 2016

## 4 LONG-TERM BORROWINGS

(₹ Crores)

PARTICULARS		As at 31-Mar-16			As at 31-Mar-15		
		Overdue	Current Maturities	Non Current	Overdue	Current Maturities	Non Current
Debentures/Bonds							
Debentures (Secured) (Refer note no. (i) and (vii) below)	(i)	36.34	200.99	291.67	36.67	55.67	496.66
Zero coupon debentures from related party (Unsecured)	(ii)	-	255.38	243.67	-	-	484.48
Refer note no. 36(B)(a) and (ii) below							
Term Loans (Secured) (Refer note no.(iii),(iv) and (vii) below)							
(a) From banks							
-Rupee Loans		319.72	916.93	6,485.64	175.55	1,424.31	5,193.77
-Foreign currency loans		87.46	160.84	1,331.75	14.98	118.37	1,736.12
	(iii)	407.18	1,077.77	7,817.39	190.52	1,542.68	6,929.88
(b) From Financial Institutions							
- Rupee Loans		86.25	186.25	356.48	3.75	90.63	542.73
- Foreign currency loans		152.53	-	-	143.96	-	-
	(iv)	238.78	186.25	356.48	147.71	90.63	542.73
Term Loans (Unsecured) (Refer note no.(v) and(vii) below)							
From Banks							
- Rupee Loans		-	16.50	30.41	-	-	-
- Foreign Currency Loans		26.52	416.20	20.05	8.67	626.32	34.23
	(v)	26.52	432.70	50.46	8.67	626.32	34.23
Other loans & advances (Refer note no. (vi) below)							
Vehicle loan from Banks (Secured)	(vi)	-	1.47	1.27	-	1.28	2.61
(Secured by vehicles under hypothecation with banks)							
	(i) to (vi)	708.82	2,154.56	8,760.94	383.57	2,316.58	8,490.59

(i) a) Debentures outstanding at the period end are redeemable at par as follows

(₹ Crores)

Particulars	Nos	31-Mar-16 (₹ Crores)	31-Mar-15 (₹ 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
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	29-Jun-16
14.50% Redeemable Non convertible Debentures	367	36.34	36.67	2-Mar-16
12.50% Redeemable Non convertible Debentures	190	-	19.00	28-Jun-15
14.50% Redeemable Non convertible Debentures	367	-	36.67	3-Mar-15
<b>Total</b>		<b>529.00</b>	<b>589.00</b>	

# Notes to Consolidated Financial Statements

## for the Year ended 31 March 2016

- 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 ₹ 229 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) **Security for term loans**

(₹ Crores)

Nature of security	Banks	Financial Institutions	TOTAL
Exclusive charge on Plant & Machinery and specific assets financed *	396.64 (862.17)	- -	396.64 (862.17)
Pari passu first charge created on the entire fixed assets of the Company #	8,096.12 (6,396.13)	628.95 (637.11)	8,725.08 (7,033.24)
Subservient charge on all movable and current assets of the Company @	809.57 (1,304.79)	152.57 (143.96)	962.14 (1,448.75)
Fixed deposit placed with the bank.	- (100.00)	- -	- (-)
<b>Total</b>	<b>9,302.33</b> <b>(8,663.09)</b>	<b>781.52</b> <b>(781.07)</b>	<b>10,083.86</b> <b>(9,344.16)</b>

\* Includes loans aggregating to ₹ 70.32 crores (Previous period ₹ 123.63 crores) and loans from financial institution aggregating to ₹ Nil (previous period ₹ Nil) which are further secured by personal guarantees of promoter directors / corporate guarantee of promoter group companies

# Includes bank loans aggregating to ₹ 1606.76 crores (Previous period ₹ 1,958.34 crores) & Financial Institution loans aggregating to ₹ 100 crores (previous period ₹ 108.13 crores) which are further secured by personal guarantees of promoter directors / corporate guarantee of promoter group Companies.

# Includes bank loans aggregating to ₹ 519.88 Crores (Previous period ₹ 312.50 crores) secured by charge created on part of the investment property

# Includes bank loans aggregating to ₹ Nil (Previous period ₹ 300.00 crores) for which charge is being created on part of the investment property

@ Includes bank loans aggregating to ₹ Nil (Previous period ₹ 85.61 crores) which are further secured by personal guarantees of promoter directors / corporate guarantee of promoter group Companies

(iv) **Terms of Repayment of Secured Term Loan**

a) Non-current

(₹ Crores)

Particulars	Rate of Interest	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years	Total
Rupee Term Loan From Bank	10% - 16% (11.55% - 15.75%)	1,184.86 (1,182.19)	990.41 (1,157.51)	756.17 (864.97)	3,554.19 (1,989.10)	6,485.64 (5,193.77)
Foreign Currency Term Loan From Banks	1.30% - 7.30% (1.27% - 7.35%)	660.64 (734.04)	420.86 (270.00)	94.06 (499.89)	156.19 (232.19)	1,331.75 (1,736.11)
Rupee Term Loan From Financial Institutions	9.00% - 15.00% (9.00% - 15.00%)	186.48 (186.25)	77.50 (186.48)	2.50 (77.50)	90.00 (92.50)	356.48 (542.73)
<b>Total</b>		<b>2,031.99</b> <b>(2,102.48)</b>	<b>1,488.77</b> <b>(1,614.00)</b>	<b>852.73</b> <b>(1,442.35)</b>	<b>3,800.38</b> <b>(2,313.79)</b>	<b>8,173.87</b> <b>(7,472.62)</b>

# Notes to Consolidated Financial Statements

for the Year ended 31 March 2016

## b) Current

(₹ Crores)

Particulars	Rate of Interest	Overdue	Current Maturities
Rupee Term Loan From Banks	10% - 16% (11.55% - 15.75%)	319.72 (175.55)	916.93 (1,412.67)
Foreign Currency Term Loan From Banks	1.30% - 7.50% (1.27% - 7.35%)	87.46 (14.98)	160.84 (118.37)
Rupee Term Loan From Financial Institutions	9.00% - 15.00% (9.00% - 15.00%)	86.25 (3.75)	186.25 (90.63)
Foreign Currency Term Loan From Financial Institutions	2.96% - 5.40% (2.96% - 5.40%)	152.53 (143.96)	- (-)
<b>Total</b>		<b>645.96</b> <b>(338.23)</b>	<b>1,264.02</b> <b>(1,621.67)</b>

## (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
Rupee Loan From Banks	10.00% - 12.00%	30.41 (-)	- (-)	- (-)	- (-)	30.41 (-)
Foreign Currency Term Loan From Banks	3.25% - 4.25% (3.25% - 4.25%)	20.05 (17.11)	- (17.11)	- (0.01)	- (-)	20.05 (34.24)
<b>Total</b>		<b>50.46</b> <b>(17.11)</b>	<b>-</b> <b>(17.11)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>50.46</b> <b>(34.24)</b>

## (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	10.65% - 12.20% (10.65% - 12.20%)	0.80 (1.22)	0.45 (0.86)	0.01 (0.50)	- (0.03)	1.27 (2.61)

## (vii) The Company has defaulted in repayment of principal and interest payments. The period and amount of continuing defaults 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	36.34 (36.67)	- (-)	- (-)	- (-)	36.34 (36.67)
b) Term Loans					
- Secured					
From banks :					
- Rupee Loans	98.37 (103.21)	48.44 (72.34)	115.08 (-)	57.82 (-)	319.72 (175.55)
- Foreign currency loans	14.75 (13.26)	39.09 (1.82)	- (-)	33.61 (-)	87.46 (15.08)
From Financial Institutions :					
- Rupee Loans	25.00 (-)	1.88 (1.88)	25.00 (-)	34.38 (1.88)	86.25 (3.76)
- Foreign currency loans	- (-)	- (143.96)	152.53 (-)	- (-)	152.53 (143.96)
- Unsecured					
From banks :					
- Foreign currency loans	- (-)	5.64 (4.81)	4.38 (3.74)	16.50 (-)	26.52 (8.55)
<b>Total</b>	<b>174.46</b> <b>(153.14)</b>	<b>95.05</b> <b>(224.81)</b>	<b>297.00</b> <b>(3.74)</b>	<b>142.30</b> <b>(1.88)</b>	<b>708.82</b> <b>(383.57)</b>

# Notes to Consolidated Financial Statements

for the Year ended 31 March 2016

**b) Interest :**

(₹ Crores)

Particulars	0-30 days	31-90 days	91-180 days	Above 180 days	Total
a) Debentures	17.23 (5.50)	3.40 (9.28)	16.83 (9.60)	52.89 -	90.35 (24.38)
b) Term Loans					
- Secured					
From banks :					
- Rupee Loans	94.31 (57.22)	153.42 (73.81)	119.41 (1.50)	72.39 (-)	439.54 (132.53)
- Foreign currency loans	21.32 (2.03)	1.81 (1.77)	- (-)	3.83 (-)	26.96 (3.80)
From Financial Institutions :					
- Rupee Loans	20.75 (0.21)	5.57 (23.75)	24.56 (0.45)	77.28 (0.26)	128.17 (24.67)
- Foreign currency loans	- (-)	4.38 (1.99)	- (-)	3.36 (-)	7.75 (1.99)
- Unsecured					
From banks :					
- Rupee Loans	0.47 (-)	1.34 (-)	- (-)	- (-)	1.81 (-)
- Foreign currency loans	0.61 (-)	- (0.40)	0.17 (-)	- (-)	0.78 (0.40)
<b>Total</b>	<b>154.70</b> <b>(64.96)</b>	<b>169.93</b> <b>(111.00)</b>	<b>160.97</b> <b>(11.55)</b>	<b>209.75</b> <b>(0.26)</b>	<b>695.36</b> <b>(187.77)</b>

Previous period figures are given in brackets

**5 TAXATION**

(₹ Crores)

Particulars	AS AT 31-Mar-16	AS AT 31-Mar-15
<b>(a) Current Tax comprise of</b>		
Current tax for the period	2.99	98.19
Less : Excess provision of tax relating to earlier years	63.87	0.22
	<b>(60.88)</b>	97.97
<b>(b) Deferred tax liability (net) comprises of timing difference on account of</b>		
<b>Deferred Tax Liability</b>		
Depreciation	0.43	911.94
<b>Less : Deferred Tax Asset</b>		
Share Issue expenses	-	(1.35)
Mark to Market loss on derivative contract	-	(15.89)
Provision for employee benefits	(0.03)	(9.80)
Provision for doubtful debts and advances	(0.00)	(16.35)
<b>Net Deferred Tax Liability</b>	<b>0.40</b>	868.55
<b>(c) Deferred tax asset (net) comprises of timing difference on account of</b>		
<b>Deferred Tax Asset</b>		
Provision for employee benefits	12.70	-
Provision for doubtful debts and advances	516.36	-
Interest not paid	238.54	-
Unabsorbed Depreciation carried forward	260.31	-
Business loss carried forward	910.73	12.28
<b>Less : Deferred Tax Liability</b>		
Depreciation	(875.77)	(3.33)
<b>Net Deferred Tax Asset</b>	<b>1,062.87</b>	8.95

# Notes to Consolidated Financial Statements

for the Year ended 31 March 2016

## 6 OTHER LONG-TERM LIABILITIES

Particulars	AS AT 31-Mar-16	AS AT 31-Mar-15
Advance from customers (Refer note below)	2,835.73	2,764.35
	<b>2,835.73</b>	<b>2,764.35</b>

The Company has received a long term export advance of ₹ 2,984.98 crores (Previous Period 2,909.85 crores) including ₹ 149.25 crore (Previous Period ₹ 144.50 crore) considered in other current liabilities 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 existing and future fixed assets and second charge on the existing and future 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-2016			As at 31-Mar-2015		
	Long term	Short term	Total	Long term	Short term	Total
For employee benefits	29.47	7.70	37.17	21.29	7.73	29.02
Corporate dividend tax	-	-	-	-	8.23	8.23
Provision for taxation (net of advance tax)	-	106.36	106.36	-	232.12	232.12
Others	-	0.83	0.83	-	0.82	0.82
<b>TOTAL</b>	<b>29.47</b>	<b>114.89</b>	<b>144.36</b>	<b>21.29</b>	<b>248.90</b>	<b>270.19</b>

## 8. SHORT-TERM BORROWINGS

(₹ Crores)

PARTICULARS	AS AT 31-Mar-16		AS AT 31-Mar-15	
Debenture (Secured) (Refer note no. (i) below)		-		26.00
<b>Working capital loans</b>				
Cash Credit accounts, working capital demand loan etc. (Secured) (Refer note no. (ii) below)				
From Banks (including ₹ 727.03 crores (Previous period ₹ 766.33 crores) in foreign currency)	9,045.99		5,704.17	
From Financial Institutions / Others (including ₹ 5.14 crores (Previous period ₹ 102.39 crores) in foreign currency)	134.86	9,180.85	159.37	5,863.54
<b>Short term loan</b>				
Secured (Refer note no. (iii) and (iv) below)				
Rupee Loans				
From Financial Institutions	75.50	75.50	75.24	75.24
Unsecured				
Rupee Loans				
From Banks	80.47		-	
		80.47		-
Inter Corporate Deposit (Secured) \$		130.29		75.00
Inter Corporate Deposit (Unsecured)		55.00		122.94
From Related party (Unsecured) (Refer note no 36(B)(b))		594.22		555.04
<b>Overdue / Recalled loans</b>				
<b>Non Convertible Debentures</b>				
Debenture (Secured) (Refer note no. 4(i) (vii) above)		36.34		36.67

# Notes to Consolidated Financial Statements

for the Year ended 31 March 2016

(₹ Crores)

PARTICULARS	AS AT 31-Mar-16		AS AT 31-Mar-15	
<b>Long term borrowings</b>				
Secured (Refer note no. 4(i) (vii) above)				
From Banks				
Rupee Loans	319.72		175.55	
Foreign currency loans	87.46	407.18	3.75	179.30
From Financial Institutions				
Rupee Loans	86.25		14.98	
Foreign currency loans	152.53	238.78	143.96	158.93
Unsecured				
From Banks				
Foreign currency loans	26.52	26.52	8.67	8.67
<b>Short term borrowings</b>				
Secured (Refer note no. (iii) & (iv) below)				
From Banks				
Rupee Loans		-		100.00
<b>Demand Loan</b>				
Secured (Refer (iii) and (iv) below)				
From Financial Institutions				
Rupee Loans		334.50		-
		11,159.65		7,201.33

Nature of security	Banks	Financial Institutions / Others	TOTAL
(i) <b>Debentures</b>			
First mortgage charge created on investment property of the company	- (-)	- (26.00)	- (26.00)
(ii) <b>Security for working capital loans :</b>			
(a) Hypothecation of company's current assets and mortgage of certain immovable properties belonging to the company / Guarantor. #	8,765.10 (5,405.61)	134.84 (159.36)	8,899.94 (5,564.97)
(b) Second charge created / to be 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 *	92.54 (135.59)	0.01 (0.01)	92.55 (135.60)
Fixed and floating charge over the assets of the company and personal guarantee of directors	132.42 (130.70)	- (-)	132.42 (130.70)
Pledge of certain immovable assets	55.93 (32.27)	- (-)	55.93 (32.27)
<b>TOTAL</b>	<b>9,045.99 (5,704.17)</b>	<b>134.85 (159.37)</b>	<b>9,180.84 (5,863.54)</b>



# Notes to Consolidated Financial Statements

for the Year ended 31 March 2016

Nature of security	Banks	Financial Institutions / Others	TOTAL
(iii) <b>Security for short term loans</b>			
(a) Hypothecation of company's current assets on first pari passu basis.	- (100.00)	- (-)	- (100.00)
(b) First mortgage charge created on all fixed assets of the company on pari passu basis.			
Subservient charge on all moveable and current assets of the Company @	- (-)	75.50 (75.24)	75.50 (75.24)
<b>TOTAL</b>	<b>- (100.00)</b>	<b>75.50 (75.24)</b>	<b>75.50 (175.24)</b>
<b>Security for demand loans</b>			
(a) Second charge created on all immovable properties of the Company situated at Vapi & Silvassa.	- (-)	334.50 (-)	334.50 (-)
(b) pledge of shares held by step down subsidiaries viz. Alok Industries International Limited and Grabal Alok International Limited in Mileta a.s. & Grabal Alok (UK) Ltd. respectively.			
<b>TOTAL</b>	<b>- (-)</b>	<b>334.50 (-)</b>	<b>334.50 (-)</b>

# Includes Bank loans aggregating ₹ 2313.63 Crores (Previous period ₹ 1377.25 Crores) for which charge is being created on part of investment property.

\* Includes Bank loans aggregating ₹ 44.55 Crores (Previous period ₹ 41.79 Crores) secured by charge created / is being created on part of the investment property.

@ Includes Bank loans aggregating ₹ 75.50 Crores (Previous period ₹ 75.54 Crores) secured by charge created / is being created on part of the investment property..

\$ Includes ₹ 69.60 crores Secured by first charge on three floors of Peninsula Business Park owned by Alok Infrastructure Limited and ₹ 51.59 crores secured by second charge on one floor of Peninsula Business Park 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)
From Financial Institutions	334.50 (-)	- (-)	334.50 (-)
<b>Total</b>	<b>334.50 (100.00)</b>	<b>- (-)</b>	<b>334.50 (100.00)</b>

# Notes to Consolidated Financial Statements

for the Year ended 31 March 2016

**b) Interest :**

(₹ Crores)

Particulars	0-30 days	31-90 days	Above 180 Days	Total
Secured				
- Rupee loans				
From Banks	- (1.25)	- (2.38)	- (-)	- (3.63)
- Rupee loans				
From Financial Institutions	4.02 (1.03)	1.08 (0.60)	- (-)	5.10 (1.63)
- Working capital loans	109.58 (-)	19.31 (-)	- (-)	128.89 (-)
- Inter Corporate Deposits	12.25 (-)	- (-)	2.46 (-)	14.71 (-)
<b>Total</b>	<b>125.84</b> (2.28)	<b>20.39</b> (2.98)	<b>2.46</b> (-)	<b>148.70</b> (5.26)

Previous period figures are given in brackets

**9 TRADE PAYABLE**

(₹ Crores)

Particulars	As at 31-Mar-16	As at 31-Mar-15
Total outstanding dues of micro enterprises and small enterprises	12.23	15.27
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	30.44	2,250.96
Other than Acceptances	1,396.28	1,383.10
	<b>1,438.95</b>	<b>3,649.33</b>

Refer note no 36(B)(f) for related party balance.

**10 OTHER CURRENT LIABILITIES**

(₹ Crores)

Particulars	As at 31-Mar-16	As at 31-Mar-15
Current maturities of long-term borrowings (Refer note no. 4)	2154.56	2,316.59
Interest accrued but not due on borrowings	64.01	42.42
Interest accrued and due	844.04	200.65
Unclaimed dividends (Refer note below)	1.28	1.37
Fair value of foreign currency forward and option contracts	-	45.92
Other payables		
Advance from customers (Refer note no. 6(i))	386.69	365.16
Deposit received	-	1.08
Creditors for Capital Goods	25.19	32.23
Towards statutory liabilities	67.28	43.47
Advance from Related parties (Refer note no. 36(B)(g))	-	1.77
Temporary overdrawn bank balance	1.80	-
Others	20.53	12.35
<b>TOTAL</b>	<b>3565.38</b>	<b>3,063.01</b>

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

# Notes to Consolidated Financial Statements

for the Year ended 31 March 2016

(₹ Crores)										
Sr. No.	Description of assets	Gross block			Depreciation / amortisation			Net block		
		As at 1-Apr-15	Revaluation	Additions	Deductions/ Adjustments	As at 31-Mar-16	For the Year/period	Deductions / Adjustments	As at 31-Mar-16	As at 31-Mar-15
TANGIBLE ASSETS										
1	Freehold Land	128.71	-	0.20	(0.12)	129.03	-	-	129.03	128.71
2	Leasehold Land	3.44	-	-	-	3.44	0.09	0.02	0.71	2.80
3	Buildings	2,715.08	2.96	57.92	(6.31)	2,782.27	77.74	(2.89)	573.37	2,208.90
4	Office Premises	191.22	-	1.13	4.02	188.33	4.37	1.93	40.04	148.29
5	Plant and Equipments	10,429.94	-	96.46	(9.93)	10,536.33	531.88	(3.15)	5,132.78	5,403.55
6	Computer and Equipments	37.88	-	0.40	0.01	38.27	3.62	0.06	36.78	1.49
7	Office Equipment	14.85	-	0.27	(0.03)	15.15	6.01	0.06	12.54	2.61
8	Furniture and Fixtures	463.78	-	6.32	(10.28)	480.38	42.57	(4.61)	311.20	169.18
9	Vehicles	28.11	-	0.16	0.86	27.41	3.64	0.57	16.22	11.19
10	Tools and Equipment	89.01	-	0.83	0.06	89.78	5.80	0.04	41.90	47.88
Sub - Total A		14,102.02	2.96	163.69	(21.72)	14,290.39	675.72	(7.97)	6,165.54	8,124.85
PREVIOUS PERIOD		13,592.52	-	601.74	92.24	14,102.02	1,506.89	63.40	5,481.85	8,620.17
INTANGIBLE ASSETS										
1	Computer Software	29.28	-	0.06	(0.43)	29.77	1.29	(0.43)	27.60	2.17
2	Trademarks/ Brands	55.05	-	-	(1.51)	56.56	5.03	(0.14)	49.21	7.35
Sub - Total B		84.33	-	0.06	(1.94)	86.33	6.32	(0.57)	76.81	9.52
PREVIOUS PERIOD		82.84	-	1.74	0.25	84.33	14.89	(0.00)	69.92	14.41
Total		14,186.35	2.96	163.75	(23.66)	14,376.72	682.04	(8.54)	6,242.34	8,134.37
PREVIOUS PERIOD		13,675.36		603.48	92.49	14,186.35	1,521.78	63.40	5,551.77	8,634.58

## INTANGIBLE ASSETS UNDER DEVELOPMENT

### Notes

1. **Plant & Machinery includes :**
  - a Exchange difference (net) of Rs. 72.70 crores (previous period gain of Rs. 71.20 crores) on restatement of long term borrowings payable in foreign currency.
  - b Interest capitalised Rs. Nil (previous period Rs. 17.95 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	0.12	-
Buildings	5.66	3.17
Office Premises	(0.24)	0.88
Plant and Equipments	11.30	8.09
Computer and Equipments	0.14	0.13
Furniture and Fixtures	11.24	5.05
Vehicles	0.10	0.10
Computer Software	0.47	0.46

3. Refer note no. 34

# Notes to Consolidated Financial Statements

for the Year ended 31 March 2016

## 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-16		As at 31-Mar-15	
<b>a)</b>	<b>Investment Property :</b>					
	Real estate assets			53.66		133.22
	Freehold Land			812.51		813.67
				866.17		946.89
<b>b)</b>	<b>Investments in Equity Shares (Unquoted) (Other Investments)</b>					
	<b>In Associate companies</b>					
	Alspun Infrastructure Limited	100,000	0.10		0.10	
	(Including goodwill on acquisition of stake of associates ₹ 0.04 crores)					
	Less : share in post acquisition accumulated loss (Refer note i below)		(0.10)	-	(0.10)	-
	Ashford Infotech Private Limited	2,500,000	2.50		2.50	
	Add : share in post acquisition accumulated profit		13.02		8.07	
				15.52		10.57
	<b>In Others</b>					
	Triphant 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. ii below)		35.33		35.33	
	PowerCor LLC					
	Subscription towards 5% Group B Membership interest		49.12		46.35	
	Less: Provision		(49.12)	-	(46.35)	-
	Aisle 5 LLC					
	22 senior units of the equity capital		8.69		8.20	
	Less: Provision		(8.69)	-	(8.20)	-
<b>c)</b>	<b>Investment in Preference shares (Unquoted) (Other Investments)</b>					
	<b>In Associates Company</b>					
	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		1.76	
	<b>In Others</b>					
	0% Cumulative redeemable preference shares of Triphant Victory Holdings Limited	36,216,960	223.97		223.69	
	Less : Provision		(54.75)		-	
				169.22		223.69
				1,169.79		1,300.03

(i) Excludes ₹ 0.06 crores (Previous period ₹ 0.02 crores) being share in post acquisition loss, since it exceeds carrying value of investment..

(ii) The Trust is holding 19,459,382 Equity Shares [Previous period 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 ₹ 8.76 crores (Previous period ₹ 14.40 crores)]

# Notes to Consolidated Financial Statements

for the Year ended 31 March 2016

## 13 LONG TERM LOANS & ADVANCES

(₹ Crores)

Particulars	As at 31-Mar-16	As at 31-Mar-15
<b>Unsecured considered good</b>		
Capital advances	124.10	134.70
Lease and security deposits	9.34	13.73
Other Loans and advances		
Prepaid Expenses	73.53	136.83
Advance Tax (net of provision for tax)	17.80	71.87
MAT Credit entitlement	-	87.74
<b>TOTAL</b>	<b>224.77</b>	<b>444.87</b>

## 14 CURRENT INVESTMENTS (at cost or fair value whichever is lower)

(₹ Crores)

Particulars	As at 31-Mar-16	As at 31-Mar-15
<b>Investments in bonds</b>		
Laxmi Vilas Bank Tier II Bonds	-	2.00
[Nil (previous period 20) Bonds of ₹ 10,00,000 each]		
<b>Investments in Mutual funds - Unquoted</b>		
Axis Infrastructure Fund 1 scheme	0.72	0.81
[7,622 (Previous period 8,113) units of ₹ 1000/- each]		
Less : Provision for diminution in the value of investment	(0.72)	-
	-	2.81

## 15 INVENTORIES

(₹ Crores)

Particulars	As at 31-Mar-16	As at 31-Mar-15
<b>(At lower of cost and net realisable value)</b>		
Raw Materials (Refer note below)	7,667.66	7,322.39
(Includes material in transit ₹ 24.01 crores (Previous period ₹ 58.26 crores))		
Work-in-progress (Refer note below)	227.64	768.84
Finished goods	225.46	247.19
Stock in Trade (Traded Goods)	117.64	145.81
Stores and Spares	48.99	50.04
Packing Material	6.72	8.73
	<b>8,294.11</b>	<b>8,543.00</b>

For the year ended 31st March, 2016 the parent company has classified inventories of Greige Fabric as Raw Material where as for the previous period ended 31st March, 2015 it was classified as Work-in-progress. Accordingly previous period figures also have been reclassified. Had the Company continued to disclose the same as Work-in-progress as at 31st March, 2016 value of said inventories would have been increased by ₹ 13.14 crores on account of overhead absorption.

# Notes to Consolidated Financial Statements

for the Year ended 31 March 2016

## 16 TRADE RECEIVABLES

(₹ Crores)

Particulars	As at 31-Mar-16	As at 31-Mar-15
Debts outstanding for a period exceeding six months from due date	2,002.37	184.66
Less : Provision for doubtful debts	761.63	38.75
	1,240.74	145.91
Other Debts	7,175.66	7,538.74
Less : Provision for doubtful debts	734.95	7.17
	6,440.71	7,531.58
	7,681.45	7,677.48
Unsecured		
Considered good	7,681.45	7,677.48
Considered doubtful	1,496.58	45.92
	9,178.03	7,723.40

(i) Debtors include dues from parties aggregating to ₹ Nil (Previous period ₹ 0.05 Crores) in which a director is a director/partner

(ii) Refer note no. 36(B)(e) for related party balance.

## 17 CASH & BANK BALANCES

(₹ Crores)

Particulars	As at 31-Mar-16	As at 31-Mar-15
<b>A Cash and Cash equivalents</b>		
Cash on hand	0.77	3.98
Balance with Bank		
(i) In Current Accounts	49.20	146.30
(ii) In Deposit Accounts [Including interest accrued thereon]	0.22	1.68
Total Cash and Cash equivalents (A)	50.19	151.96
<b>B Other bank balances</b>		
In earmarked accounts		
Unclaimed dividend accounts	1.28	1.37
Balances / Deposits held as margin money or security against borrowings, guarantee and other commitments	118.03	540.21
Total other bank balances (B)	119.31	541.58
	169.50	693.54

Margin monies include ₹ 12.24 Crores (Previous period ₹ 198.24 Crores) which have an original maturity of more than 12 months and ₹ 7.93 Crores (Previous period ₹ 9.23 Crores) which have a maturity of more than 12 months from the Balance Sheet date.

# Notes to Consolidated Financial Statements

for the Year ended 31 March 2016

## 18 SHORT-TERM LOANS AND ADVANCES

(₹ Crores)

Particulars	As at 31-Mar-16	As at 31-Mar-15
<b>Unsecured, considered good</b>		
Loans and advances :		
To related parties (Refer note no. 36(B)(c))	0.19	0.13
To vendors	441.74	2,044.27
To Staff (Refer note below)	4.39	4.32
Others		
Balance with Central Excise, Customs and Sales Tax Authorities	123.70	144.54
Prepaid Expenses	186.16	146.19
Inter Corporate Deposits	0.70	1.20
	756.88	2,340.65
<b>Unsecured Considered doubtful</b>		
Advance to others	14.57	14.65
Less : Provision	14.57	14.65
	-	-
	756.88	2,340.65

Advance to staff includes Rs. 0.02 Crore (Previous period Rs. 0.08 Crore) due from key management personnel of the Company [maximum amount outstanding during the period Rs. 0.08 Crores (Previous period Rs. 0.23 Crores)] (Refer note no. 36)

## 19 OTHER CURRENT ASSETS

(₹ Crores)

Particulars	As at 31-Mar-16	As at 31-Mar-15
<b>Considered Good</b>		
Interest Subsidy Receivable	53.74	77.99
Unutilised DEPB Licence	1.10	1.63
Export Incentive Receivable	19.24	71.36
Interest Receivable	0.08	1.31
Others	0.06	0.06
	74.22	152.35
<b>Considered Doubtful</b>		
Interest Subsidy Receivable	25.19	0.70
Export Incentive	2.13	-
Less : Provision	27.32	0.70
	-	-
	74.22	152.35



# Notes to Consolidated Financial Statements

for the Year ended 31 March 2016

## 20 REVENUE FROM OPERATIONS

(₹ Crores)		
Particulars	Year ended 31-Mar-16	18 Months ended 31-Mar-15
a) Sale of goods	13,089.29	24,280.58
b) Sale of services		
Job work charges collected	114.10	86.83
c) Other operating revenue		
Sale of Scrap	7.97	15.54
	13,211.36	24,382.95

## 21 OTHER INCOME

(₹ Crores)		
Particulars	Year ended 31-Mar-16	18 Months ended 31-Mar-15
Interest Income :		
- Bank fixed deposits	15.82	40.30
- Inter corporate deposits	0.02	4.59
- Others	58.58	136.01
	74.42	180.90
Dividend Income :		
On Long Term Investments	0.01	0.01
On Current Investments	-	0.01
	0.01	0.02
Provision for doubtful debts and advances written back (net)	0.48	111.73
Profit On Sale Of Depb	1.47	-
Exchange rate difference (net)	-	125.63
Rent Received	8.26	21.35
Sundry Credit Balances written back	6.10	23.52
Other non operating Income	2.37	4.05
	93.12	467.20

# Notes to Consolidated Financial Statements

for the Year ended 31 March 2016

## 22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ Crores)		
Particulars	Year ended 31-Mar-16	18 Months ended 31-Mar-15
<b>CLOSING STOCK AS ON 31 MARCH</b>		
Finished Goods	225.46	247.19
Work-in-progress *	227.64	768.84
Stock in Trade (Traded Goods)	117.64	145.81
	570.74	1,161.84
<b>LESS : OPENING STOCK AS ON 1 APRIL 2015 / 1 OCTOBER 2013</b>		
Finished Goods	247.19	556.01
Work-in-progress *	768.84	4,890.13
Stock in Trade (Traded Goods)	145.81	216.68
	1,161.84	5,662.82
	(591.11)	(4,500.98)

\* Refer note no 15

## 23 EMPLOYEE BENEFIT EXPENSES

(₹ Crores)		
Particulars	Year ended 31-Mar-16	18 Months ended 31-Mar-15
Salaries and Wages	453.59	703.89
Contribution to Provident and Other Funds	35.30	46.25
Employees welfare expenses	7.93	12.75
	496.82	762.89

## 24 FINANCE COSTS

(₹ Crores)		
Particulars	Year ended 31-Mar-16	18 Months ended 31-Mar-15
Interest expense:	2,216.20	3,052.67
(Net of interest subsidy Rs. 23.47 crores (Previous period Rs. 133.94 crores))		
Interest on late payment of taxes	0.62	13.75
Other borrowing cost	473.72	446.30
	2,690.54	3,512.72

# Notes to Consolidated Financial Statements

for the Year ended 31 March 2016

## 25 OTHER EXPENSES

(₹ Crores)

Particulars	Year ended 31-Mar-16	18 Months ended 31-Mar-15
Stores and Spares Consumed	52.29	79.57
Packing Materials Consumed	97.86	143.49
Power and Fuel	396.53	735.24
Processing Charges	43.42	100.39
Labour Charges	51.20	82.73
Donation	0.13	0.70
Freight, Coolie and Cartage	90.65	191.83
Legal and Professional Fees	25.21	48.08
Rent	158.59	156.25
Rates and Taxes	84.15	115.55
Repairs and Maintenance		
Plant and Machinery	10.38	18.16
Factory Building	0.83	1.11
Others	14.14	27.89
	25.35	47.16
Commission on Sales	21.03	45.15
Exchange rate difference (net)	307.16	-
Provision for Doubtful Debts	1,447.17	86.90
Provision for Doubtful Advances	25.19	12.81
Bad debts and other advances written off (net)	1,383.46	-
Directors Remuneration	6.91	13.39
Directors Fees and Commission	0.05	5.67
Auditors' remuneration (excluding service tax)		
Audit and related fees	2.43	4.68
Tax related services	0.01	0.06
Certification fees	0.14	0.24
Reimbursement of expenses	-	0.01
	2.58	4.99
		-
Insurance	35.59	51.92
Loss on sale of long term investment (net)	17.52	3.98
Loss on sale of assets (net)	2.46	0.15
Diminution in value of investment	55.47	-
Miscellaneous Expenses	212.82	397.55
	4,542.79	2,323.50

# Notes to Consolidated Financial Statements

## for the Year ended 31 March 2016

### 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-16	Ownership Interest 31-Mar-15
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%	99.87%
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%	100%
11	Alok Trading Singapore Pte. Ltd. (incorporated on 7 March 2014) *	Singapore	100%	100%
12	Alok Merchant Singapore Pte. Ltd. (incorporated on 7 March 2014) *	Singapore	100%	100%
13	Alok Universal Singapore Pte. Ltd. (incorporated on 7 March 2014) *	Singapore	100%	100%
14	Alok Global Trading (Middle East) FZE (incorporated on 7 July 2014) *	Dubai	100%	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 companies	Country of Incorporation	Ownership Interest 31-Mar-16	Ownership Interest 31-Mar-15
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%

\* Consolidated based on unaudited financial statement for current year and audited for previous period

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"

(₹ Crores)

Particulars	As at 31-Mar-16	As at 31-Mar-15
<b>ASSETS</b>		
Fixed Assets	3.97	4.28
Inventories	0.11	0.13
Trade Receivables	100.89	61.18
Cash and Bank Balances	0.04	1.62
Loans and Advances	0.76	0.86
Investments	-	-
Other Current Assets	0.02	0.03
<b>LIABILITIES</b>		
Trade Payables & Other Current liabilities	61.23	23.42
Provisions	0.41	2.25
Deferred Tax Liability	0.26	0.29

# Notes to Consolidated Financial Statements

for the Year ended 31 March 2016

(₹ Crores)

Particulars	31-Mar-16	31-Mar-15
<b>INCOME</b>		
Sales	111.24	163.59
Other Income	0.04	0.98
<b>EXPENSES</b>		
Manufacturing and Other Expenses	107.91	158.58
Depreciation	0.31	0.47
Provision for Tax	1.07	1.76

## 28 THE ASSOCIATE COMPANIES CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS ARE:

Sr. No.	Name of the associates	Country of Incorporation	Ownership Interest 31-Mar-16	Ownership Interest 31-Mar-15
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 7 April 2014)	USA	-	33.00%

\* Consolidated based on unaudited financial statement / information.

## 29 DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT COMPANY, SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES :

Sr. No.	Name of the company	Net Assets (Total assets minus total liabilities)				Share in Profit or Loss			
		31-Mar-16		31-Mar-15		31-Mar-16		31-Mar-15	
		As % of consolidated net assets	Net Assets	As % of consolidated net assets	Net Assets	As % of consolidated Profit or Loss	Profit / (Loss)	As % of consolidated Profit or Loss	Profit / (Loss)
Parent Company									
	Alok Industries Limited	-674.15%	1,648.22	148.69%	5,415.82	98.64%	-3,722.80	135.04%	348.76
Subsidiaries									
Indian									
1	Alok Infrastructure Limited	88.61%	-216.63	-4.85%	-176.59	1.06%	-40.04	-25.23%	-65.17
Foreign									
1	Alok Industries International Limited	561.49%	-1,372.76	-34.55%	-1,258.58	1.02%	-38.42	-364.91%	-942.42
2	Grabal Alok International Limited	166.57%	-407.24	-9.73%	-354.57	0.82%	-31.06	-171.56%	-443.07
3	Grabal Alok (UK) Limited	89.31%	-218.35	-3.54%	-128.87	2.44%	-92.11	-40.39%	-104.30
4	Mileta, a. s.	-42.43%	103.74	2.37%	86.28	-0.17%	6.48	7.34%	18.96
5	Alok International Inc.	7.17%	-17.54	0.77%	27.92	1.19%	-44.73	10.51%	27.15
6	Alok Worldwide Limited	-0.56%	1.37	0.03%	0.96	-0.01%	0.35	0.36%	0.94
7	Alok Singapore Pte Ltd.	-3.46%	8.45	0.13%	4.69	-0.10%	3.89	35.81%	92.47
8	Alok International (Middle East) FZE	-1.96%	4.80	0.11%	3.93	-0.02%	0.88	0.74%	1.90
9	Alok Global Singapore Pte. Ltd.	0.00%	-	0.00%	-0.09	0.00%	0.08	-0.03%	-0.08
10	Alok Trading Singapore Pte. Ltd.	0.00%	-	0.00%	-0.09	0.00%	0.08	-0.03%	-0.08
11	Alok Merchant Singapore Pte. Ltd.	0.00%	-	0.00%	-0.09	0.00%	0.08	-0.03%	-0.08
12	Alok Universal Singapore Pte. Ltd.	0.00%	-	0.00%	-0.09	0.00%	0.08	-0.03%	-0.08
13	Alok Global Trading (Middle East) FZE	21.59%	-52.78	0.00%	-0.17	1.39%	-52.47	-0.12%	-0.31
Joint Venture companies									
Indian									
1	New City of Bombay Mfg. Mills Limited	-14.70%	35.95	0.94%	34.15	-0.05%	1.80	1.19%	3.08
2	Aurangabad Textile and Apparel Park Limited	-3.24%	7.93	0.22%	7.98	-0.01%	0.20	0.26%	0.67
Associates									
Indian									
1	Ashford Infotech Private Limited					-0.13%	4.95	1.53%	3.95
2	Alspun Infrastructure Limited					0.00%	-	0.00%	-
Foreign									
3	Next Creation Holdings LLC						NA	0.00%	

# Notes to Consolidated Financial Statements

for the Year ended 31 March 2016

## 30 CONTINGENT LIABILITIES IN RESPECT OF:

		(₹ Crores)	
Sr. No.	Particulars	31-Mar-16	31-Mar-15
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	Bank guarantees given		
a)	Relating to Joint Ventures	10.00	10.00
b)	Others	0.34	-
C	Bills discounted	43.26	33.77
D	Claims against company not acknowledged as debt		
a)	Income Taxes	8.27	6.21
b)	Maharashtra Value Added tax	8.07	8.09
c)	Other tax demands	1.57	1.57
d)	Others – disputes under litigation	74.49	0.07
e)	Certain cases were filed by the lenders/ suppliers in respect of dishonour of cheque issued for repayment of borrowings including interest and outstanding dues and further interest till non-payment	Amount Unascertained	-
f)	Certain cases were filed/notices issued by the lenders in respect of delayed / non-payment of borrowings including interest by the Company or it's subsidiary company and further interest till non-payment	Amount Unascertained	-
E	Contingent liability with respect to unpaid property tax on land under litigation / encroachment	Amount Unascertained	Amount Unascertained

## 31 CAPITAL COMMITMENT

		(₹ Crores)	
Particulars		31-Mar-16	31-Mar-15
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)		69.31	60.54

32 As a consequence of the prolonged working at depleted levels, the company's losses have significantly mounted leading to a decrease in the net worth. The company will take due measures to inform concerned authorities of this development in due course.

Certain events / conditions could possibly impact the 'going concern' assumption of the Company. The lenders had invoked the 'Strategic Debt Restructuring' (SDR) on 27 Nov 2015 pursuant to Reserve Bank of India guidelines and the implementation thereof is under process. Considering this development, the company has presented these financial statements on a 'going concern' basis.

33 Company has unabsorbed depreciation and business losses as at the Balance Sheet date on which net deferred tax assets of Rs 1051.85 crore has been recognized based on the concrete measures taken by the Company for ramping up operations and enhancing operating efficiency. Based on timely infusion of working capital, running order book position, reliability of raw material supply and the technical viability report prepared by recognized industry experts, the company is virtually certain that there would be sufficient taxable income in future to offset the deferred tax asset

34 Pursuant to the applicability of Schedule II to the Companies Act, 2013, with effect from April 01, 2015, the Company has aligned the useful lives of its tangible assets with those specified in Schedule II or as assessed based on technical advice. Consequently, the depreciation charge for the year is lower by Rs. 290.67 crores.

35 In the opinion of management, the current assets and other non-current assets after necessary provisions / write offs have a value on realisation in the ordinary course of the business, at least equal to the amount at which they are stated except otherwise stated.

# Notes to Consolidated Financial Statements

## for the Year ended 31 March 2016

### 36 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 Limited	Ashford Infotech Private Limited
Next Creations Holdings LLC (upto 7 April 2014)	

##### II Entities under common control

Alok Denims (India) Limited	Alok Knit Exports Private Limited
Alok Textile Traders	Nirvan Exports
Ashok Realtors Private Limited	Pramatex Enterprises
D. Surendra & Co.	Triumphant Victory Holdings Limited.

##### III Joint Venture

Aurangabad Textiles & Apparel Parks Limited	New City Of Bombay Mfg. Mills Limited
---	---------------------------------------

##### IV Key Management Personnel (KMP)

Ashok B. Jiwrajka	} Director	Alok A. Jiwrajka (Chief Operating Officer)
Dilip B. Jiwrajka		Niraj D. Jiwrajka (Joint Chief Operating Officer)
Surendra B. Jiwrajka,		Varun S. Jiwrajka (Joint Chief Operating Officer)
Sunil O Khandelwal		
K H Gopal		

##### V Firms in which KMP and relatives of KMP are interested

AVAN Packaging and Boards	C. J. Corporation
Linear Design	

#### B Transactions with related parties alongwith disclosure of transactions more than 10%

			(₹ Crores)
Transactions	31-Mar-16	31-Mar-15	
<b>(a) Long term borrowing</b>			
Entities under common control			
Triumphant Victory Holdings Limited			
Balance as at 1 April / October	484.48	753.33	
Received / adjusted during the year / period	-	241.69	
Repaid during the year / period	14.21	504.83	
Translation difference during the year / period	28.78	(5.71)	
Balance as at 31 March	499.05	484.48	
<b>(b) Short term borrowings</b>			
Entities under common control			
Triumphant Victory Holdings Limited			
Balance as at 1 April / October	555.05	596.87	
Received / adjusted during the year / period	-	(93.15)	
Translation difference during the year / period	46.94	51.32	
Balance as at 31 March	594.21	555.04	
<b>(c) Short term loans and Advances</b>			
Associates			
Alspun Infrastructure Limited			
Balance as at 1 April / October	0.12	1.84	
Granted during the year / period	0.05	0.04	
Shares allotted during the year / period	-	1.76	
Balance as at 31 March	0.17	0.12	



# Notes to Consolidated Financial Statements

for the Year ended 31 March 2016

	(₹ Crores)	
Transactions	31-Mar-16	31-Mar-15
Others		
Balance as at 1 April / October	-	0.06
Repaid during the year / period	-	0.06
Balance as at 31 March	-	-
Entities under common control		
Triumphant Victory Holdings Limited		
Balance as at 1 April / October	-	9.73
Granted during the year / period	0.01	-
Repaid during the year / period	-	9.73
Balance as at 31 March	0.01	-
Firms in which KMP and relatives of KMP are interested		
Others		
Balance as at 1 April / October	0.01	-
Granted during the year / period	-	0.01
Balance as at 31 March	0.01	0.01
Key Management Personnel (Loan to staff)		
K. H. Gopal		
Balance as at 1 April / October	0.08	0.23
Granted during the year / period	0.06	0.15
Balance as at 31 March	0.02	0.08
<b>(d) Non Current Investments</b>		
Associates		
Next Creations Holdings LLC		
Balance as at 1 April / October	-	4.47
Sold during the year / period	-	4.47
Balance as at 31 March	-	-
Others		
Balance as at 1 April / October	86.07	84.31
Invested during the year / period	-	1.76
Balance as at 31 March	86.07	86.07
Entities under common control		
Triumphant Victory Holdings Limited.		
Balance as at 1 April / October	223.69	4.71
Invested during the year / period	-	219.00
Provision for diminution in value of investment	54.75	-
Translation difference during the year / period	0.28	(0.02)
Balance as at 31 March	169.22	223.69
<b>(e) Trade Receivables</b>		
Balance as at 31 March		
Associates		
Next Creations Holdings LLC	-	0.03
<b>(f) Trade Payables</b>		
Balance as at 31 March		
Entities under common control		
Alok Denims (India) Limited	52.91	31.94
Others	2.81	2.81
Firms in which KMP and relatives of KMP are interested		

# Notes to Consolidated Financial Statements

for the Year ended 31 March 2016

	(₹ Crores)	
Transactions	31-Mar-16	31-Mar-15
C. J. Corporation	22.69	15.41
Others	3.39	1.42
Salary Payable		
Others	13.33	11.25
<b>(g) Other current liabilities (Advance received)</b>		
Balance as at 31 March / 30 September		
Entities under common control		
Alok Knit Exports Private Ltd.	-	1.77
<b>(h) Revenue from operations</b>		
Sales of Goods (Including jobwork charges)		
Associates		
Next Creations Holdings LLC	-	20.08
Firms in which KMP and relatives of KMP are interested		
C. J. Corporation	1.40	0.31
<b>(i) Expenditure</b>		
Purchase of raw materials		
Entities under common control		
Alok Denims (India) Limited	99.70	253.37
Joint Venture Companies		
Others	-	6.89
Firms in which KMP and relatives of KMP are interested		
Others	-	8.97
Purchase of packing material		
Firms in which KMP and relatives of KMP are interested		
C. J. Corporation	45.60	65.55
Rent		
Entities under common control		
Alok Knit Exports Private Ltd.	-	2.97
Consultancy Charges		
Firms in which KMP and relatives of KMP are interested		
AVAN Packaging & Boards	0.96	1.66
Remuneration #		
Key Management Personnel		
Ashok B. Jiwrajka	1.47	4.58
Dilip B. Jiwrajka	1.47	4.58
Surendra B. Jiwrajka	1.47	4.58
Sunil O. Khandelwal	1.23	1.84
K. H. Gopal	1.19	1.78
Others	0.90	1.34
Dividend Paid		
Entities under common control		
Alok Knit Exports Private Ltd.	-	11.87
Others	-	0.05
Key Management Personnel		
Surendra B. Jiwrajka	-	1.61
Others	-	2.10
Interest paid		

# Notes to Consolidated Financial Statements

for the Year ended 31 March 2016

(₹ Crores)		
Transactions	31-Mar-16	31-Mar-15
Entities under common control		
Triumphant Victory Holdings Limited	15.19	34.40
<b>(j) Income</b>		
Rent		
Firms in which KMP and relatives of KMP are interested		
Linear Design	0.10	0.15
C. J. Corporation	0.02	0.04

# Excludes gratuity and long term compensated absences, wherever applicable which are actuarially valued at Company level and where separate amounts are not identifiable For ESOS to KMP refer Note no. 37

## 37 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 Rs. 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
19,129,600	-	0	2,013,100	17,116,500
(23,022,850)	(-)	(202,300)	(3,690,950)	(19,129,600)

Previous period figures are given in brackets

ESOS granted to Key Management Personnel

Name of KMP	31-Mar-16	31-Mar-15
Sunil O. Khandelwal	90,250	90,250
K. H. Gopal	82,550	82,550

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 Rs. 0.37 Crores (Previous period Rs. 3.48 Crores) and EPS would be lower by Rs. 0.001 (Previous period Rs.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 Rs. 1.82.

## 38 Earnings per share (EPS)

Sr. No.	Particulars	31-Mar-16	31-Mar-15
a.	Face value of equity shares per share ( In Rupees)	10	10
b.	<b>Basic and Diluted EPS</b>		
	Net profit available for equity shareholders (Rs. crores)	(3,774.18)	258.26
	Weighted average number of equity shares - Basic (Nos.)	1,377,317,895	1,377,166,632
	<b>Basic EPS (Rupees)</b>	(27.40)	1.88
	Add : Effect of dilutive stock options (Nos.)	-	489,587
	Weighted average number of equity shares - Diluted (Nos.)	1,377,317,895	1,377,656,219
	<b>Diluted EPS (Rupees)</b>	(27.40)	1.87

\* Potential equity shares on account of stock options are ignored in the calculation of the diluted earnings per share since it is antidilutive.

# Notes to Consolidated Financial Statements

## for the Year ended 31 March 2016

### 39 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 Rs. 4.88 crores (previous period Rs. 7.06 crores) for the year ended 31 March 2016.
- The Company contributed Rs. 23.09 crores (Previous period Rs. 18.52 crores) towards various other defined contribution plans of subsidiaries located outside India during the year ended 31 March 2016 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, a funded defined benefit plan for qualifying employees. The Fund invest in the scheme of insurance with the Life Insurance Corporation of India, First Life Insurance Company Limited, SBI Life Insurance Company Limited and Canara HSBC Oriental Bank of Commerce. 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.

The following table sets out the status of the gratuity plan for the period ended 31 March 2016 as required under AS 15 (Revised)

(₹ Crores)

Particulars	Gratuity (funded) as at 31-Mar-16	Gratuity (Unfunded) as at 31-Mar-16	Gratuity (funded) as at 31-Mar-15	Gratuity (Unfunded) as at 31-Mar-15
<b><u>Change in Defined Benefit Obligation</u></b>				
Opening Defined Benefit Obligation	32.28	0.05	25.25	0.04
Current Service Cost	5.97	0.01	8.07	0.01
Interest Cost	2.55	0.00	4.04	0.00
Actuarial gain	(0.34)	0.00	(0.60)	0.00
Benefits Paid	(4.03)	(0.00)	(4.47)	-
<b>Closing Defined Benefit Obligation</b>	<b>36.44</b>	<b>0.06</b>	<b>32.28</b>	<b>0.05</b>
<b><u>Change in Fair Value of assets</u></b>				
Opening Fair value of assets	15.87	-	12.85	-
Expected Return on Plan Assets	1.36	-	1.83	-
Actuarial gain/(loss)	(0.29)	-	0.70	-
Contribution by Employer	0.50	-	4.96	-
Benefits Paid	(3.94)	-	(4.47)	-
<b>Closing Fair Value of Plan Assets</b>	<b>13.49</b>	<b>-</b>	<b>15.87</b>	<b>-</b>
<b>Net Liability</b>	<b>22.95</b>	<b>0.06</b>	<b>16.42</b>	<b>0.05</b>

# Notes to Consolidated Financial Statements

## for the Year ended 31 March 2016

Expense to be recognised in statement of Profit and Loss

(₹ Crores)

Particulars	Period ended 31-Mar-16	Period ended 31-Mar-15
Current Service Cost	5.98	8.13
Interest on Defined Benefit Obligation	2.56	4.05
Expected Return on Plan Assets	(1.36)	(1.83)
Net Actuarial (gain)/loss	(0.04)	(1.30)
<b>Total Included in Employment Expenses</b>	<b>7.14</b>	<b>9.05</b>
<b>Actual Return on Plan Assets</b>	<b>1.07</b>	<b>2.47</b>
<b>Category of Assets as at 31 March / 30 September</b>		
Insurer Managed Fund	13.49	15.87

The assumptions used in accounting for gratuity are set out below:

Particulars	31-Mar-16	31-Mar-15
Discount rate	7.90%	7.90%
Rate of increase in compensation levels of covered employees	9.00%	9.00%
Expected Rate of return on plan assets *	7.90%	8.50%

Particulars	31-Mar-16	31-Mar-15
Amount expected to be contributed in the next 12 months	31.78	5.00

\* 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 by respective insurance companies, 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-16	31-Mar-15	30-Sep-13	31-Mar-12	31-Mar-11
Defined benefit obligation	36.44	32.39	25.30	20.25	15.40
Plan Assets	13.49	15.87	12.85	7.40	4.71
Surplus / (Deficit)	(22.95)	(16.52)	(12.45)	(12.85)	(10.69)
Experience Adjustments on plan Liabilities	(1.06)	(5.06)	(1.11)	1.09	0.71
Experience Adjustments on plan Assets	(0.29)	0.69	(0.06)	0.26	0.08

### Asset Allocations

Since the investment 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.

### 40. 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)

# Notes to Consolidated Financial Statements

## for the Year ended 31 March 2016

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-16	31-Mar-15
<b>Segment Revenue</b>		
Operating Revenue – Sales		
Domestic [Net of Excise duty of Rs. 170.46 crores (previous period Rs. 229.89 crores)]	10,587.20	18,346.72
International	2,339.60	5,719.51
Job Charges collected (Domestic)	114.10	86.83
<b>Total segment revenue</b>	<b>13,040.90</b>	<b>24,153.06</b>

(₹ Crores)

Particulars	As at 31-Mar-2016	As at 31-Mar-15
<b>Segment Assets</b>		
<b>Trade Receivable (net of provision for doubtful debts)</b>		
Domestic	7,440.08	7,418.02
International	241.37	259.46
	<b>7,681.45</b>	<b>7,677.48</b>

### 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"

### 41 The Outstanding Derivative Instruments and unhedged foreign currency exposure is as follows :

- Nominal amounts of derivative contracts entered into by the company for hedging currency risk and outstanding as on 31 March 2016 amount to Rs. Nil (Previous period Rs. 240.98 Crores). Category wise break-up is given below

(₹ Crores)

Sr. No.	Due	31-Mar-16	31-Mar-15
1	Foreign Currency Options *	-	209.68
2	Foreign Exchange forward contracts for receivable	-	31.30
	<b>Total</b>	<b>-</b>	<b>240.98</b>

\* Represents monthly currency option for receivables, maturing over a period of 1 year

- The year / 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	Current Year		Previous Year	
		Amount in foreign currency	Rupees	Amount in foreign currency	Rupees
Trade Receivables	USD	0.91	59.81	1.15	71.99
	EUR	0.02	1.48	0.14	9.12
	GBP	0.00	0.40	0.00	0.10
	JPY	(0.08)	(0.05)	-	-
Loans and Advance	USD	0.21	13.60	0.04	2.62
	GBP	-	-	0.00	0.13

# Notes to Consolidated Financial Statements

for the Year ended 31 March 2016

(₹ Crores)

Particulars	Foreign Currency	Current Year		Previous Year	
		Amount in foreign currency	Rupees	Amount in foreign currency	Rupees
	EUR	0.01	0.61	0.05	3.09
	CHF	0.00	0.12	0.03	1.97
	JPY	0.24	0.14	0.18	0.09
	BDT	0.00	0.01	0.02	0.02
	HKD	-	-	0.00	0.03

b) Amount payable in foreign currency on account of the following

(₹ Crores)

Particulars	Foreign Currency	Current Year		Previous Year	
		Amount in foreign currency	Rupees	Amount in foreign currency	Rupees
Secured Loans	USD	23.03	1,527.69	25.78	1,613.51
	EUR	3.20	240.05	3.20	215.80
	GBP				
Unsecured Loans	JPY	0.89	66.63	0.89	59.90
Interest accrued but not due on loans	USD	0.12	8.21	0.27	16.65
	GBP	0.02	1.30	0.01	0.38
Interest accrued and due on loans	EUR	0.24	15.77	0.07	4.56
	CHF	0.02	1.74	0.02	1.63
	JPY				
Trade Payables	BDT	1.97	130.35	1.06	66.33
	HKD	0.20	0.12	1.28	0.66
	EUR	0.18	13.55	0.17	11.23
	CHF	0.00	0.17	0.00	0.17
	GBP	0.00	0.38	0.00	0.43
	AED	0.16	2.90	0.26	4.38
	DKK	0.00	0.02	0.00	0.02
Advance from Customers	USD	45.63	3,026.50	46.87	2,933.74
	EUR	0.14	10.49	0.14	9.42
	JPY	0.05	0.03	0.14	0.07



# Notes to Consolidated Financial Statements

## for the Year ended 31 March 2016

- 42 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-16	31-Mar-15
1	Within one year	26.86	3.01
2	Later than one year and not later than 5 years	240.82	53.74
3	Later than 5 years	474.80	61.17
	<b>Total</b>	<b>724.49</b>	<b>117.92</b>

Lease rental expense aggregating to Rs. 158.59 crores (previous period Rs. 156.25 crores) recognised in statement of Profit & Loss

**Details of lease rentals receivable in future are as follows:**

(₹ Crores)			
Sr. No.	Due	31-Mar-16	31-Mar-15
1	Within one year	4.39	8.68
2	Later than one year and not later than 5 years	2.84	8.19
3	Later than 5 years	23.58	24.34
	<b>Total</b>	<b>30.83</b>	<b>41.21</b>

Lease rental income aggregating to Rs. 8.26 crores (previous period Rs. 21.35 crores) recognised in statement of Profit & Loss.

- 43 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.
- 44 As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects.

A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Sr. No.	Particulars	₹ in crores
a	Gross amount required to be spent by the company during the year	13.05
b	Amount spent during the year on	-

- 45 Certain creditors/lenders have filed winding up petitions in the Bombay Court for non-payment of their dues / instalments / interest etc. The Company has taken appropriate measures to defend itself in this regard.
- 46 The Company is yet to pay the debenture interest payment due for a period beyond one year as at the Balance sheet date. This attracts the provisions of Section 164 (2) of the Companies Act, 2013 as per which all directors retiring by rotation at the ensuing Annual General Meeting and eligible for reappointment render themselves ineligible for such reappointment. Further, Section 167 of the said Act appears ambiguous regarding the vacation of the Board, if and when such a contravention continues. The Company is informed that the Company Law Committee appointed by the Government of India has already recommended appropriate amendments to Section 167 to remove the apparent ambiguity. The Company is further informed the recommendation has been incorporated in the Companies (Amendment) Bill, 2016 which has been introduced in the Lok Sabha for discussion and is pending for approval. In the Company's view therefore, the other directors can continue to function in that capacity.
- 47 Exceptional item represents impairment loss in respect of Goodwill on consolidation aggregating to Rs. Nil (previous period Rs. 131.00 crores).
- 48 The previous financial year of the Company was for a period of 18 months from 1 October 2013 to 31 March 2015, whereas the current financial year of the Company is for a 12 months from 1 April 2015 to 31 March 2016. The figure of the two periods are therefore not strictly comparable.

# FAITH FOCUS COMMITMENT

29<sup>th</sup> Annual Report | 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016

**49** Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.

## Signatures to Notes 1 to 49

For and on behalf of the Board

**Ashok B. Jiwrajka**  
(Executive Director)  
DIN - 00168350

**Dilip B. Jiwrajka**  
(Managing Director)  
DIN - 00173476

**Surendra B. Jiwrajka**  
(Joint Managing Director)  
DIN - 00173525

**Sunil O. Khandelwal**  
(Executive Director & Chief Financial Officer)  
DIN - 06430362

**K. H. Gopal**  
(Executive Director & Secretary)  
DIN - 06430369

Place: Mumbai  
Date: 30th May 2016

# 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 Annual General Meeting of the Company on Saturday, 24th September, 2016 at 12:00 noon at Alok Public School, Alok City, Silvassa-Khanvel Road, 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 **Annual General Meeting** of the Company on **Saturday, 24th September, 2016 at 12:00 noon at Alok Public School, Alok City, Silvassa-Khanvel Road, Silvassa – 396230, Union Territory of Dadra and Nagar Haveli** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional	
Ordinary Business		For	Against
1.	To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2016 and the Reports of the Board of Directors and the Auditors thereon.		
2.	To consider and note the retirement by rotation of Mr. Sunil O. Khandelwal having Director Identification Number 06430362.		
3.	To consider and note the retirement by rotation of Mr. K. H. Gopal having Director Identification Number 06430369.		
4.	Appoint M/s. Shah Gupta & Co, Chartered Accountants and M/s. NBS & Co. Chartered Accountants as Joint Statutory Auditors of the Company.		
Special Business (Ordinary Resolutions)			
5.	Appoint M/s. B.J.D. Nanabhoy & Co, Cost Accountants as Cost Auditor of the Company.		
6.	Confirmation of Mr. Kamalkishore C. Jani as an Independent Director for a period of 5 years commencing from 24th September, 2015.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

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.



[illegible]







#### **REGISTERED OFFICE**

17/5/1, 521/1, Village Rakholi/Saily,  
Silvassa, Union Territory of Dadra and Nagar Haveli - 396 230  
Tel. No.: +91 260 3087000 | Fax: +91 260 2645289

#### **CORPORATE OFFICE**

Peninsula Business Park, Tower B, 2<sup>nd</sup> & 3<sup>rd</sup> Floor,  
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