

C E L E B R A T I N G



Y E A R S

1986-2011

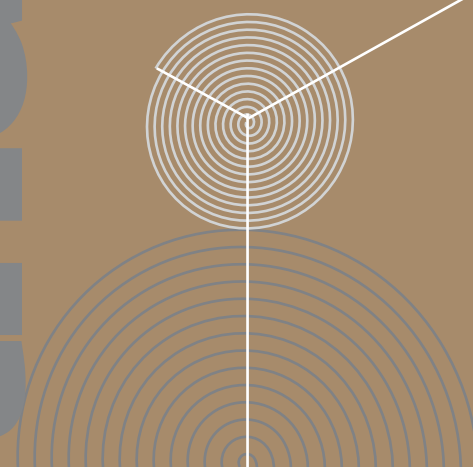
**Driven by a Vision
Leadership in Textiles**



25 Annual Report 2010-11

Thank you for contributing to our silver anniversary

We are celebrating 25 eventful years. Silver Jubilee is a milestone which has very special significance in the life of any institution. It signifies a coming of age and maturity...We believe this is the time to look back, and thank every person who has contributed in our journey so far...



REMEMBRANCE



Late Bhagirathmal J. Jiwrajka
(14 November, 1925 - 17 September 2002)
Founder Chairman



***Naiva tasya krtenartho nakrteneha kascana
Na casya sarvabhutesu kascidarthavyapasrayah***

He attaches nothing to the results of his action.
Thus gain and loss resulting from his actions mean the same to him.
He doesn't need a purpose therefore to motivate him into action

***Tasmadasaktah satatam karyam karma samacara
Asakto hyacarankarma paramapnoti purusah***

Therefore do your duty without any attachment to the
fruits of your work, for only by acting without attachment,
you will be able to realize God.

On this special occasion, the 25th anniversary of our company, we
bow in reverence to our Chairman, the Late Bhagirathmal J. Jiwrajka,
a man of the highest integrity with loyalty and devotion to high ideals,
a man of conscience and hard work.

He guided the affairs of the company with a sure and steady hand.
His simplicity and humility were transparent.
Behind them was a clear vision of mature mind
and profound wisdom. He taught us the virtues of austerity,
simplicity and consensus. We pledge to continue to live and govern by
his principles of integrity, honesty, commitment and trust.

about us

Alok Industries Limited, one of India's largest vertically integrated textile companies, provides end-to-end solutions through five core divisions: Cotton Yarn, Apparel Fabric, Home Textiles, Garments and Polyester Yarn.

With over two decades of experience, Alok is the choice for quality textile products at internationally competitive prices and dependable delivery schedules. The company constantly adopts new technology to widen its product range. Through a planned and focused expansion, Alok is today a leading player in each of its product segments.

Alok's large customer base comprises domestic and overseas retailers, garment exporters in India and converter countries who are vendors to major international labels. They include some of the world's largest retailers and India's largest manufacturers of apparel and home textiles.

About 35% of Alok's production is exported to over 70 countries, with major markets being US, Europe, Latin America, Asia and Africa.



STORE
TWENTY
ONE



Vision & Mission

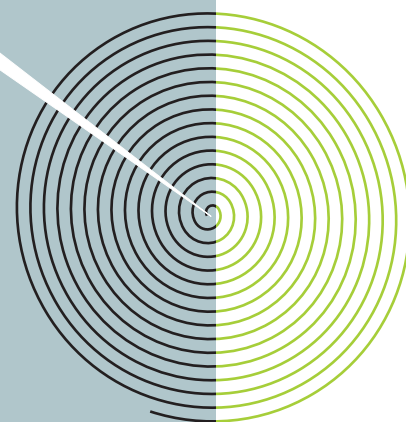
Vision

To be the world's best integrated textile solutions enterprise with leadership position across products and markets, exceeding customer and stakeholder expectation. The barometer of our success would be our ROCE.

Mission

We will:

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





contents

Thank You	1	Report on Corporate Governance	95
Remembrance	2	Shareholder's Information	105
About Us	4	Auditor's Certificate on Corporate Governance	111
Vision & Mission	5	Company Secretarial Compliance Certificate	112
Key Highlights 2010-11	7	Certification by MD and CFO	113
Textile Trivia	8	Auditor's Report	114
Milestones	10	Annexure to the Auditor's Report	115
Alok at 25	12	Balance Sheet	118
25 Years Financial Highlights	28	Profit and Loss Account	119
Partners' Speak	30	Cash Flow Statement	120
Board of Directors	34	Schedules	122
Young Leaders	37	Balance Sheet Abstract and Company's General Business Profile	153
Core team	38	Statement Pursuant to section 212(3) and 212(5) of the Companies Act, 1956 relating to subsidiary companies	154
General Information	46	Consolidated Reports	156
Financial Highlights	48	Auditor's Report on Consolidated Statements	157
Key Ratios	49	Consolidated Balance Sheet	158
Chairman's Message	50	Consolidated Profit & Loss Account	159
Managing Director's Message	52	Consolidated Cash Flow Statements	160
Jt. Managing Director's Message	53	Consolidate Schedules	162
Did You Know	54	Notes	192
Notice	56		
Annexure to the Notice	59		
Director's Report to the Shareholders	60		
Did You Know	68		
Management Discussion & Analysis Report	70		
Did You Know	93		

Turnover increased by 48.18% to ₹ 6,388.43 crore

Exports increased by 42.24% to ₹ 2,217.43 crore

EBIDTA increased by 38.02% to ₹ 1,756.35 crore

Profit After Tax by 63.48% to ₹ 404.36 crore

Dividend at ₹ 0.25 per share

Total Assets at ₹ 13,259.04 crore

Total Networth at ₹ 3,097.59 crore

Book Value at ₹ 39.32

EPS at ₹ 5.13

CEPS at ₹ 12.90

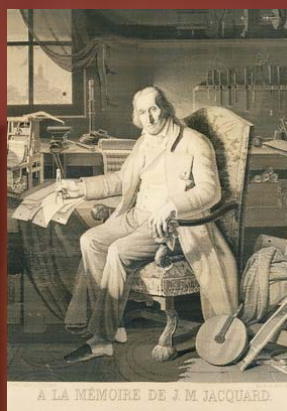
**key
highlights
2010-11**

Textile

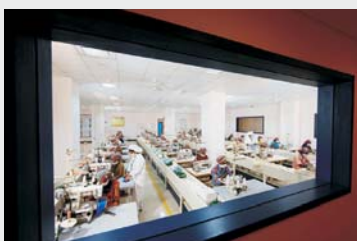
Timeline

7000 years back	:	Cotton fibre is discovered in Ancient Mexico
5800 BC	:	Cotton fabric is discovered in a cave near Tehuacán, Mexico
300 BC	:	Ancient Egyptians, Greeks, and Romans use soda ash prepared from burned sea weed to bleach and whiten cloth
Before 220 AD	:	Textile printing originates in China
1589	:	Englishman, William Lee constructs first knitting machine
1764	:	Spinning jenny invented by James Hargreaves - the first machine to improve upon the spinning wheel
1785	:	French scientist Claude Berthollet discovers application of chlorine as an excellent a bleaching agent
1790	:	Thomas Saint invents first sewing machine
1804	:	Joseph Marie Jacquard invents the Jacquard Loom
1843	:	Dobby loom is discovered
1844	:	John Mercer of Great Harwood, Lancashire, England devises mercerisation process which treats cotton fibres with sodium hydroxide
1856	:	William Perkin invents the first synthetic dye
Mid-19th Century	:	Terry or Turkish towels with its origin in Constantinople, Turkey is for the first time woven by power driven looms in the European countries

- 1953 : Du Pont USA invents polyester fibre
- 1980 : The term Technical Textiles is coined to describe the products and manufacturing techniques developed primarily for their technical properties and performance



Textile Trivia



1986

Incorporation of your Company

1993

Initial Public Offer of ₹ 4.50 crore

1995

Collaboration with Grabal, Albert Grabher Gesellschaft mbH & Co. of Austria for manufacturing of embroidery products, through joint venture company, Grabal Alok Impex Ltd

1996

Annual sales of ₹ 100 crore

1997

Rights Issue of equity shares aggregating to ₹ 14.98 crore

1998

Private placement of equity shares of ₹ 16 crore to Century Direct Fund (Mauritius)

2000

- Turnover exceeds ₹ 300 crore, including exports of ₹ 9 crore
- New Alok Logo launched

2001

Expansion initiated under Technology Upgradation Fund Scheme (TUFs) for weaving and processing capacities with investment of ₹ 225 crore

2002

- Rights issue of FCDs of ₹ 51 crore
- Turnover exceeds ₹ 550 crore

2003

- Awarded status of 'Export Trading House
- Foray into Home Textile segment (bed linen)



2004

- Turnover crosses ₹ 1,000 crore. Exports exceed ₹ 100 crore
- Commenced Phase I & II of expansion programme (Spinning, Weaving, Processing & garmenting) aggregating to ₹ 1,175 crore under TUFs

2005

FCCB issue of USD 35 million

2006

FCCB issue of USD 70 million

2007

- 9001:2000 certification obtained
- Turnover reaches ₹ 1,800 crore, Exports at ₹ 640 crore
- Domestic retail brand 'H&A' launched
- Embarked on expansion of ₹ 1,100 crore under Phase III under TUFs
- 60% stake acquired in "Mileta International", integrated textile unit at Czech Republic
- Contracted to acquire commercial property at Lower Parel admeasuring 6,41,000 sq. ft. in real estate subsidiary Alok Infrastructure Limited

2008

- Initiated Phase IV expansion of ₹ 1,180 crore under TUFs
- Raised ECB of USD 90 million
- Acquired stake in UK retail "Store Twenty One"

2009

Rights issue of Equity shares of ₹ 450 crore
Completed integration of Polyester by commissioning Continuous Polymerisation capacity of 600 tpa

2010

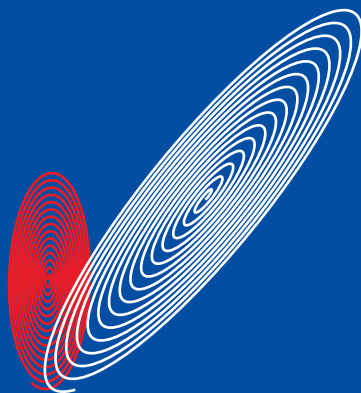
- Turnover touches ₹ 4,300 crore, Exports crosses ₹ 1,500 crore
- Qualified Institutional Placement of Equity shares of ₹ 425 crore.
- Added Terry Towels to its product range

2011

- 25 years of corporate journey completed
- Turnover crosses ₹ 6,300 crore, Exports reach ₹ 2,200 crore
- Awarded the IMC – Ramakrishna Bajaj National Quality (RBNQ) Performance Excellence Trophy in the Manufacturing Category
- Expansion of Polyester production from 600 tons/day to 1400 tons/day commenced
- Awarded status of 'Recognised Star Trading House'

achievers

The largest integrated textile company in India



At 25 we are Achievers

With humble beginnings back in 1986 as a polyester yarn manufacturer, we are today, amongst India's leading textile companies providing Integrated Textile Solutions across the value chain from yarn, apparel fabrics, home textiles, technical textiles and apparels in all natural and man-made fibers.

Two and a half decades have been a fantastic journey of learning, experimenting and progressing for us.

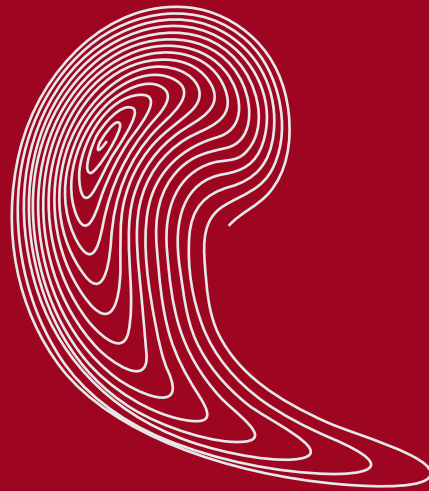
Carefully planned expansions and marketing strategies have enabled us to achieve a CAGR of 35% in sales since inception.

Yes, at 25, we are Achievers. We are the largest integrated textile company in the country. An achievement we are justifiably proud about.

Diverse

Diverse

Widest range of
products and
designs along with
consistent quality.



At 25 we are Diverse

Our diverse product range spans across five core business categories: Cotton Yarn, Apparel Fabrics, Home Textiles, Garments and Polyester Yarn (POY & Texturized Yarn).

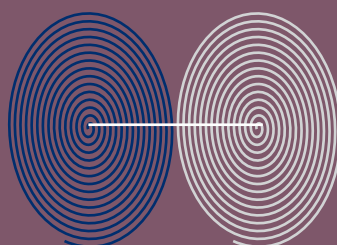
We constantly keep track of global fashion trends, market trends, technological advances and materials innovations. Our zeal to innovate leads to constant research & development, enabling us provide better solutions to our customers across business categories.

Our ever expanding product range with consistent international quality standards meet our customers' myriad needs in evolving markets, sets new industry trends and helps us stay ahead of competition.

Yes, at 25 we are Diverse in product range and innovation with consistency in quality and delivery.

Priority of our clientele

Constant efforts are always on to not just meet, but exceed customer expectations



At 25 we are Proud of our Clientele

We feel privileged to have a well-diversified customer base in India and across continents. Our customer list boasts of the Who's Who in retailers, brands, garment manufacturers, home textile manufactures, weavers, fashion houses and importers and continues to grow year after year.

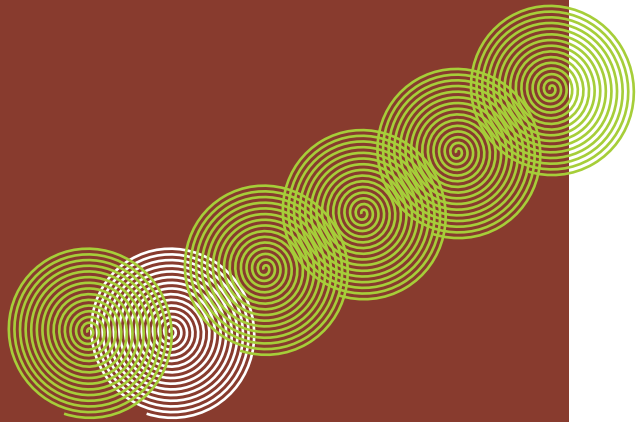
Investing in world class customer service infrastructure, customer convenience and quality assurance, besides state-of-the-art manufacturing technology, helps us retain and expand our customer base in the developed as well as emerging markets across the globe.

In addition, introduction of several high-performance, innovative fabrics is constantly expanding our reach into large institutional markets such as defense, hotels, hospitals, refineries, construction, etc.

Yes at 25, we are Proud of our Clientele and reiterate our commitment to not just meet but exceed customer expectations.

team

Dynamic team of
professionals who
are passionate about
excellence



At 25 we are a Professional Team

A company is as good as its people. We are privileged to have a motivated team of young and experienced professionals who drive our growth and create higher levels of performance, year after year.

A conducive environment has been created for encouraging team work, two way communications which drives every Alokian to contribute to the company's goals.

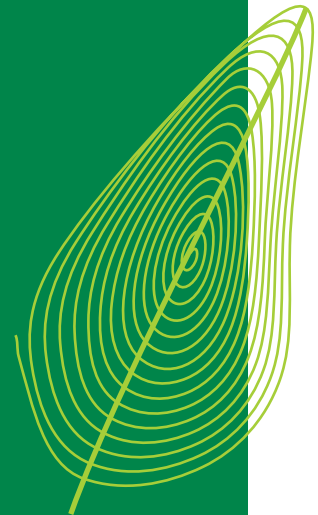
A unique combination of experience and youth ensure result-oriented action. As an experienced management team leads the company with vision, growth strategies and ideas for innovations, young professionals, equipped with modern technology and management systems are geared to face the highest level of global competition.

We nurture the aspirations of our people by providing them an enabling environment and ample growth opportunities by broadening their perspective on the industry and world markets through constant training, external exposure and interaction within.

Yes at 25, we are completely Professional and re-dedicate ourselves to attract and retain the best talent in the industry across functions like management, production and marketing and convert them into dynamic entrepreneurs.

25 years to go green

Sustained eco-friendly endeavours include several initiatives and investment in ensuring environment protection, health and safety



At 25 we are Green

Since its inception, we have emphasized strongly on eco-friendly and sustainable production as our core business philosophy. We believe in acting as custodians of our planet and in preserving nature for the generations to come, in our sphere of influence.

We retain the natural environment around our plants with minimum displacement of greenery and landscape. Planting additional trees to create green belts, rainwater harvesting and water recycling through reverse osmosis are some of the initiatives used in the production process.

Towards ensuring a healthy, pollution-free environment, we promote the use of low carbon fuels & cleaner energy alternatives, support organic cotton movement and actively participate in several national and international initiatives to spread this message.

Yes at 25 we are Green and re-commit ourselves to work towards sustainability of our wonderful planet.



Commitment
and effective
contribution to
social welfare
and societal
development

conscious
of our society

At 25 we are Conscientious of our Society

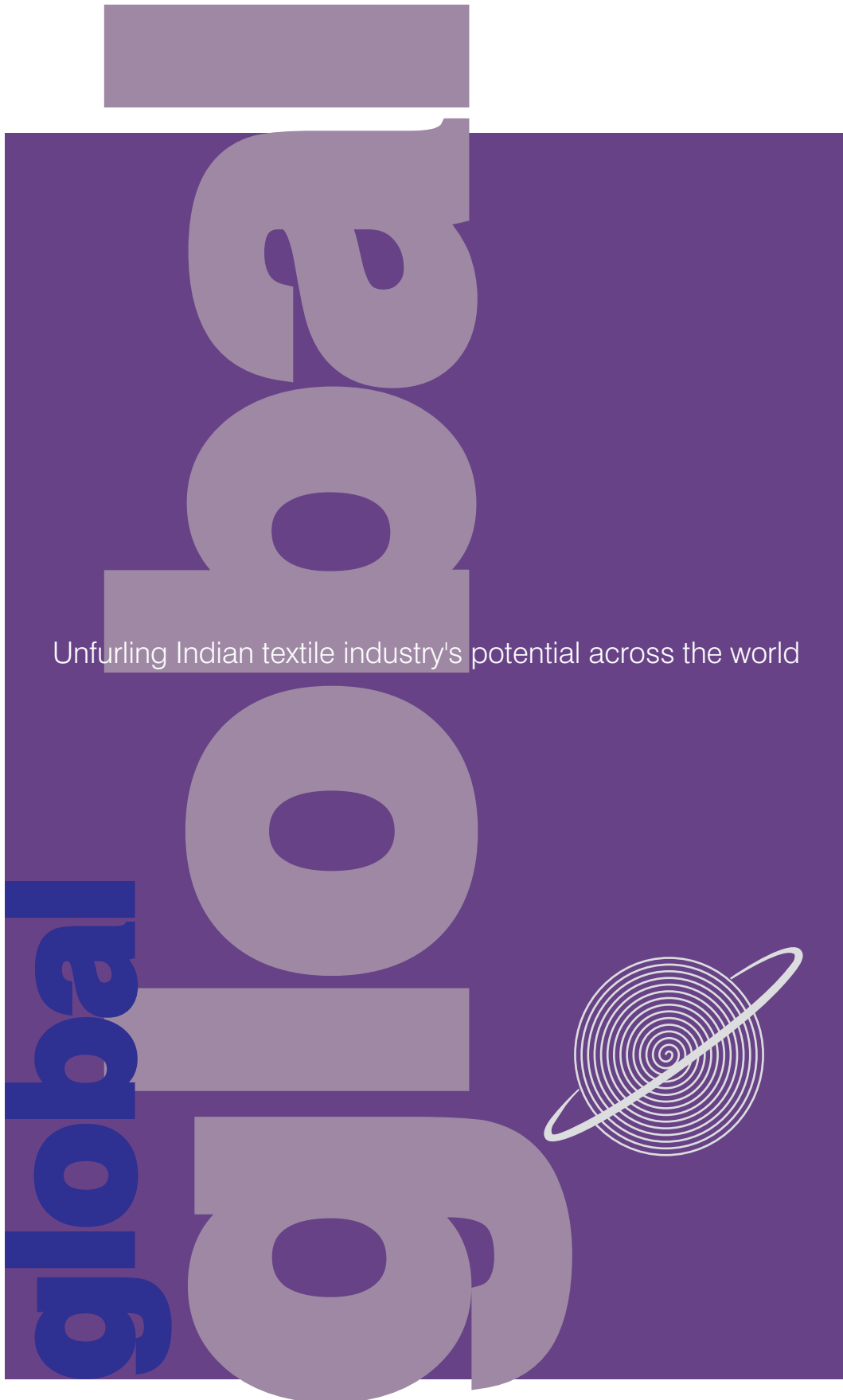
As a responsible corporate citizen, we believe in contributing in every possible way to the development and prosperity of society as a whole.

Constant efforts are made to create equal opportunities for all. Towards this end, offering jobs to tribal and rural population in and around the company's manufacturing units at Vapi and Silvassa is the first choice for us.

We have taken special initiatives to impart quality education at Silvassa by opening ALOK PUBLIC SCHOOL under the CBSE curriculum and have also collaborated with the State Government and local administration under the PPP initiative for the modernization of the Industrial Training Institutes.

Crèches have been put up, ongoing initiatives are taken to teach tribals about health and hygiene and canteens have been set up to provide nutritious and wholesome food.

Yes at 25 we are Conscientious of our Society. We understand that blending Corporate Social Responsibility in our way of work is the only way to work. In growth of all is our real growth.



Unfurling Indian textile industry's potential across the world

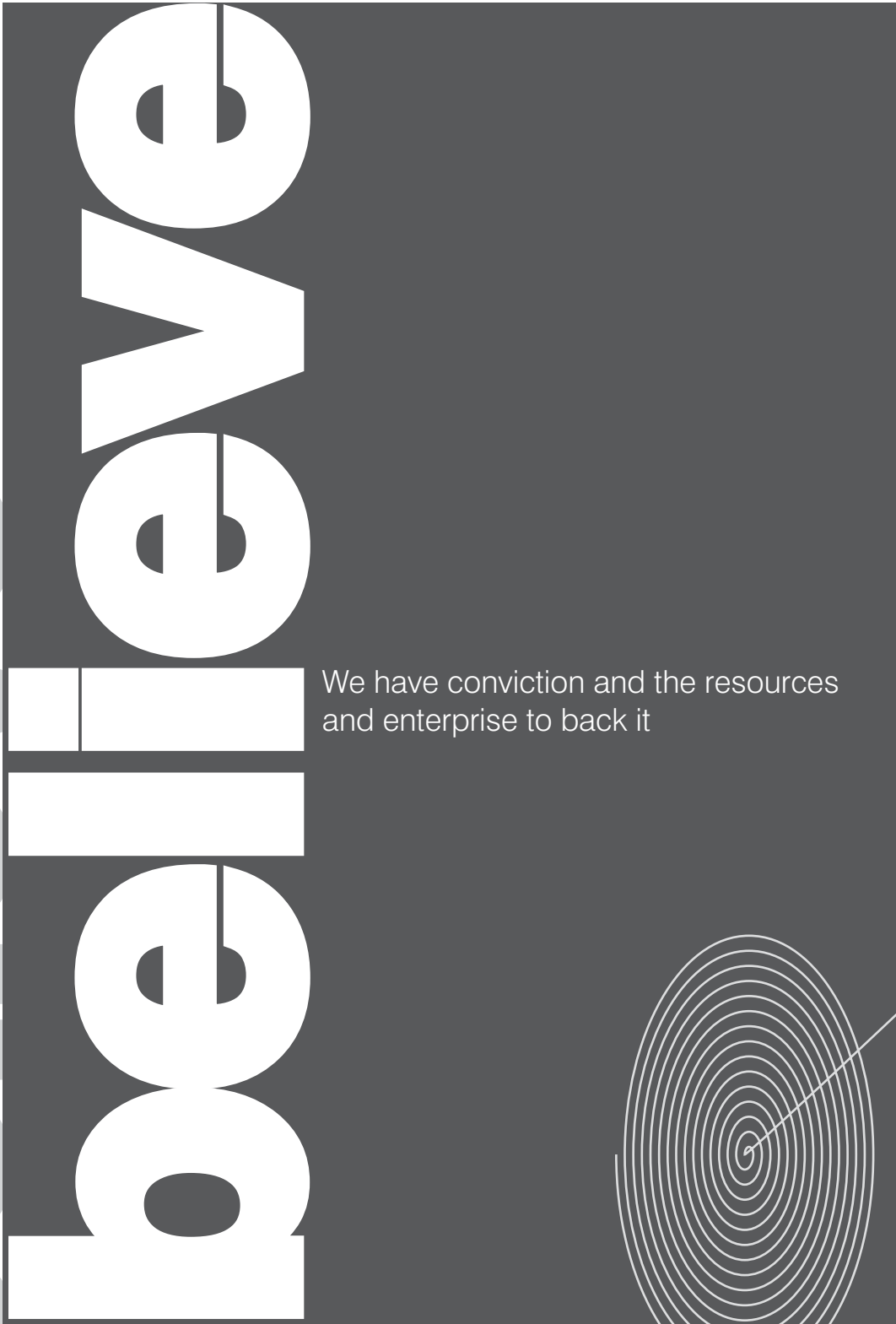
At 25 we are Global

Having acquired a global scale and competitive strength through well-planned efforts over two and half decades, today we feel proud to contributing to Indian textile industry's global market growth.

We export a wide range of products to over 70 countries across all continents, including to all developed and several emerging markets. We have not only emerged as amongst the largest exporters of textile products from India, but have taken initiatives to create international bases in Europe, USA and Africa to develop long-term strategic presence in key markets and emerging business opportunities.

We were amongst the few Indian textile players to have foreseen the challenges and opportunities under the quota free regime and planned to optimize on this opportunity.

Yes at 25 we are Global in our outlook and reach. We are determined to make India regain her glory as a dominant global textile player.



At 25 we have conviction

Since our inception 25 years ago, we believed in the great future of the Indian textile industry. We believed that in order to be a leader and sustain success, we needed to have a sizeable presence across the textile value chain.

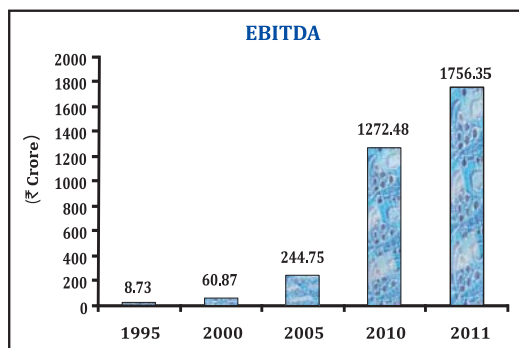
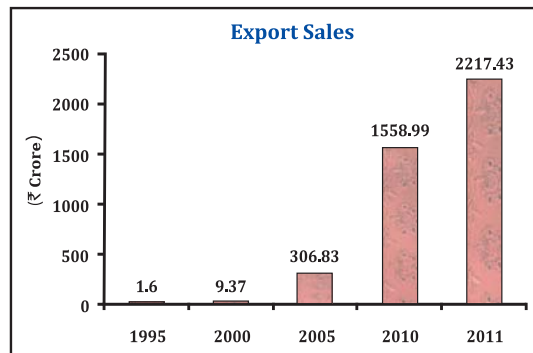
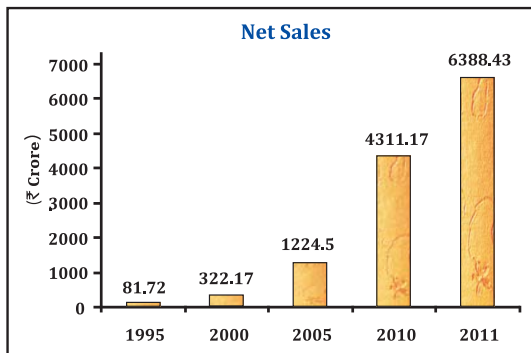
We believed that if timely investment and resources are deployed supported by strategic initiatives and a long term commitment, India could gain competitive advantage in the post-quota world market for textiles.

Our passion for textiles, unflinching commitment to our values and philosophy of achieving success through innovation should stand us in a good stead.

Yes at 25, we continue to have conviction and believe that the Indian textile industry is on the verge of witnessing, perhaps, its brightest period and our company is positioned perfectly to capitalize on this wonderful opportunity.

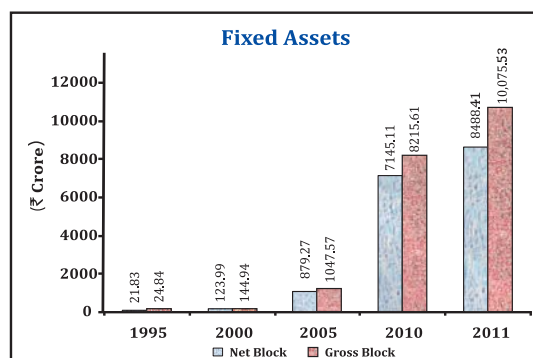
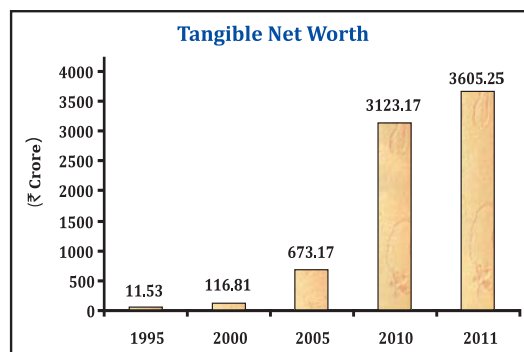
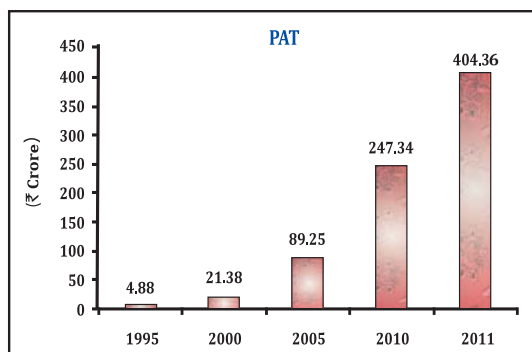
(₹ Crore)

PARTICULARS	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003	31.03.2002
	(12 months)	(12 months)	(12 months)	(12 months)	(12 months)	(12 months)	(12 months)	(12 months)	(12 months)	(12 months)
Net Sales	6388.43	4311.17	2976.93	2170.41	1824.68	1420.70	1224.50	1068.85	795.41	564.97
Export Sales	(2217.43)	(1558.99)	(1054.5)	(1036.89)	(641.71)	(394.55)	(306.53)	(111.48)	(26.620)	(21.65)
EBITDA	1756.35	1272.48	822.61	547.75	410.96	301.26	244.53	198.40	137.14	98.14
Profit after Tax (PAT)	404.36	247.34	188.37	167.73	135.18	109.21	89.25	71.08	42.31	37.91
Net Cash accruals	1016.54	688.93	496.7	366.86	273.75	190.50	118.89	98.86	61.54	51.22
Equity Share Capital	787.79	787.79	196.97	187.17	170.37	157.47	134.02	88.23	87.69	42.29
Reserves	2309.80	1928.4	1410.39	1134.01	854.07	650.06	460.73	218	161.58	140.85
Application Money/Warrants	-	-	147.70	110.16	-	-	3.32	21.42	-	51.03
Deferred Tax	507.66	406.98	307.97	210.48	141.82	100.1	75.1	50.52	36.33	2.64
Tangible Net Worth	3605.25	3123.17	2063.03	1641.82	1166.26	907.63	673.17	378.17	285.6	236.81
Gross Block	10075.53	8215.61	6692.71	4368.05	2954.2	2121.89	1047.57	690.84	453.59	355.04
Net Block	8488.41	7145.11	5983.86	3891.3	2583.8	1874.24	879.27	579.53	380.39	307.3
Total Borrowings	9653.57	8509.68	6596.35	5767.31	3336.76	2212.5	1403.24	902.09	549.17	401.51
G.P. to Net Sales (%)	27.49%	29.52%	27.63%	25.24%	22.52%	21.21%	19.99%	18.56%	17.24%	17.37%
PAT to Net Sales (%)	6.33%	5.74%	6.33%	7.73%	7.41%	7.69%	7.29%	6.65%	5.32%	6.71%
Return on Capital Employed	11.53%	9.52%	8.20%	6.96%	8.41%	8.33%	10.90%	13.89%	14.03%	13.37%
Net Debt: Equity	2.36	2.28	3.03	2.49	2.19	1.85	1.35	1.97	1.84	1.62
Dividend (%)	2.50%	2.50%	7.50%	12.00%	14.00%	12.00%	12.00%	10.00%	10.00%	10.00%
EPS	5.13	4.57	9.64	11.4	9.7	6.68	7.25	7.90	7.36	11.77
Book Value	39.32	34.48	89.1	76.47	60.13	51.28	44.38	34.20	28.43	43.31



(₹ Crore)

31.03.2001	31.03.2000	31.03.1999	31.03.1998	31.03.1997	1.03.1996	31.03.1995	31.03.1994	31.12.1992	31.03.1992	31.03.1991	31.03.1990	31.03.1989	30.10.1987
(12 months)	(12 months)	(12 months)	(12 months)	(12 months)	(12 months)	(12 months)	(15 months)	(9 months)	(12 months)	(12 months)	(12 months)	(17 months)	(12 months)
443.29	322.17	238.18	196.71	167.97	120.55	81.72	55.84	26.43	16.53	15.88	8.92	0.38	0.04
(18.74)	(9.37)	(6.1)	(3.17)	(2.77)	(0.1)	(1.6)	(2.87)	(0.18)	-	-	-	-	-
76.21	60.86	44.7	26.94	17.96	14.25	8.73	3.52	1.45	1	0.5	0.21	0.01	-
29.47	21.38	14.96	10.22	6.23	6.02	4.88	1.92	0.8	0.53	0.11	(0.11)	(0.03)	-
37.76	26.27	16.4	10.80	7.86	8.21	6.14	1.04	0.94	0.67	0.24	0.02	-	-
28.35	27.82	23.64	11.62	9.71	3.74	3.75	3.49	0.73	0.25	0.25	0.25	0.25	-
103.13	75.04	46.2	28.14	23.22	13.1	7.78	3.6	0.99	0.49	-	(0.12)	(0.03)	-
29.48	13.95	1.35	1.13	-	7.24	-	-	0.81	-	0.14	0.14	0.14	0.03
-	-	-	-	-	-	-	-	-	-	-	-	-	-
160.96	116.81	71.19	40.89	32.93	24.08	11.53	7.09	2.53	0.74	0.38	0.27	0.37	0.03
227.89	144.94	130.08	105.25	62.23	45.24	24.84	7.98	3.76	2.15	-	1.42	1.39	0.03
195.82	123.99	116.75	98.15	54.79	35.35	21.83	8.07	3.41	1.74	1.22	1.28	1.36	0.03
285.16	209.32	183.68	145.88	73.47	47.28	33.34	11.92	2.51	2.29	1.89	1.167	1.13	-
17.19%	17.07%	15.98%	13.70%	10.69%	11.82%	10.56%	6.30%	5.49%	6.04%	3.15%	2.35%	2.63%	2.29%
6.65%	6.00%	5.35%	5.20%	3.71%	4.99%	5.97%	3.43%	3.03%	3.21%	6.93%	-1.23%	-7.89%	0.75%
14.61%	15.59%	14.97%	12.70%	14.44%	16.23%	19.46%	18.52%	28.77%	33.00%	21.95%	14.57%	0.67%	-
1.65	1.58	2.44	3.46	2.14	1.89	2.85	1.36	0.85	2.93	4.53	4.10	3.09	-
10.00%	10.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	15.00%	10.00%	-	-	-	-
10.39	8.91	8.98	8.8	16.25	16.10	13.01	5.50	10.96	21.20	4.40	(4.40)	(1.20)	-
46.38	36.97	29.54	34.22	33.91	64.39	30.75	20.32	34.66	29.60	15.40	10.96	14.57	840.29





Kohl's

Congratulations to Alok Industries for 25 Years! I have worked with Alok for the past 10 years, representing both Kohl's and Wal-Mart over that time. Alok has proven to be an extremely reliable and professional fabric supplier. The mill is state-of-the-art for weaving and dyeing, producing high quality fabrics. When our vendors place their fabric orders with Alok we are assured of quality and on time delivery. Thanks you for all of you support and congratulation on this special anniversary.

Chris Fisher
Kohl's Department Stores, USA
Product Development
Raw Materials & Color Manager



Carrefour

Four years back, when Carrefour Global Sourcing India decided to develop the business in underwear category, our objective was to find a strong and well-known partner in order to build a long term partnership. Alok Industries was identified immediately as the suitable partner for Carrefour. The expertise, reliability and powerful industrial capacity of Alok has been precious for Carrefour to develop our business.

Women and Men are of course at the origin of this success. So thank you to Alok team for their support

best regards ,

Mathias DESOUBRIES
Textile Permanent Lines Division Manager
Carrefour



Crystal Martin International Ltd.

From the commencement of our working partnership with the Alok team, developed throughout the last decade, it has always proven rewarding to realise the benefits of working alongside a business that delivers on both it's vision AND values.

This we see recognised year on year by the continued patronage of customers who are appreciative of the investment made in the delivery of innovation and quality within Alok's integrated textile offer but also the significant investment in the delivery of shared values, values that set Alok out as THE supplier of choice.

As a leading international business CMI clearly recognise that delivering added value, exceptional quality, design excellence, investment in our people and cutting edge innovation are an absolute minimal requirement of today's consumer. However it is essential that we deliver all of the above whilst demonstrating a corporate and ethical responsibility to our colleagues, our consumers and our suppliers.

This can only be achieved by partnering with a supply base of indisputable repute. Alok deliver these same values on a daily basis.

We are PROUD to be associated with the team at Alok as they celebrate their 25th anniversary and on this auspicious occasion we take great pleasure in congratulating them on their past success. We take as much pleasure in sharing our combined vision for the future that, together, we can deliver as Alok enter their next 25 years of providing exceptional service to an ever more demanding, worldwide, customer base.

Stuart Clayton
Director



Marks & Spencer

Congratulations to the entire team at Alok, on completing 25 years. We at M&S are really happy to have been a part of Alok's growth over the years.

For us at M&S, I would say that Alok are an excellent one-stop-shop covering everything from plain, print and yarn dye cotton both woven and knitted through to polyester yarn, cotton towelling and full range of wide width bed-linen. All this produced in-house from fibre to finished product makes it easy for us to work with Alok. There is a huge potential to grow within our business provided you continue to focus on quality and product development, just as you have been doing over the years.

Wish you all success in the coming years, and look forward to us growing our partnership further.

Venu Nair
Head of Region (South Asia)
Marks & Spencer



State Bank of India

With you - all the way

State Bank of India

My hearty congratulations on Alok Industries Ltd achieving the landmark of 25 years. We have been your bankers since inception and it is a pleasure seeing Alok growing from strength to strength, maintaining an impeccable track record through consistent performance.

The vision shown by the top management in tapping the opportunities in textile sector especially in the post quota regime is quite admirable and this has made Alok the largest integrated textile company of India. It will be our pleasure to support the company in its future endeavours.

I once again congratulate "Team Alok" and wish them more success in the coming years.

V.S.Radhakrishnan
Deputy General Manager
State Bank of India



Axis Bank

We are enthused on the occasion of Alok Industries Limited completing 25 years of its existence. Our compliments on this historic occasion. We take pride in being your partner Bank and associating with you at major milestones in this impressive journey of becoming the largest integrated textile company in India. The vision, direction and strategy of the top management have made Alok a benchmark in textile industry.

We wish you all the success for your future endeavors.

Siddharth Rath
President, Corporate Banking
Axis Bank



Clariant

On this occasion, we congratulate Alok Industries on successful completion of 25 golden years. The young Alok group is marching ahead with grand success and new landmarks.

Alok Industries, as a textile unit, is a 21st Century state-of-art model. The product profile and the quality norms are one of the key factors of its success. Today, this group has its own trade mark in Home textile, Apparel's, Towels and Garment segment. Alok has elite brand of International buyers and stores of repute as potential customers.

As a specialty chemicals and dyes supplier, Clariant has had a pleasant experience in working closely with Alok and looks forward to enhance this business association to higher levels. We will play an active role in the reliable quality by supplying Alok with our best of product profile and by being sensitive to their competitiveness in their market.

We wish Alok Industries a grand success and I am sure, together we will become an icon in Textile Industry.

Ramesh Agrawal
G.M -Marketing
Clariant Chemicals (India) limited



Monforts

"We are proud to have had the chance of contributing towards Alok's leadership in best-in-class technology and uncompromising quality standards."

Jochen Stillger,
Vice President of Sales and Marketing
Monforts



DyStar

From the company's incorporation in 1986, Alok Industries Limited has relentlessly pursued its vision to be the world's largest and the best textile solutions enterprise. The company has achieved a historic revenue milestone of Rs. 6000 crores in the financial year ending March 2011. The benchmarks it has set in terms vertical integration, diversification, export performance, profitability and net worth reflect the quality of management and execution at its best. The company's initiatives towards sustainable development ranging from women empowerment to partnering with Zameen Organic set a standard for fair trade and ethical organic cotton supply chain.

As the world's largest dyestuff manufacturing company, we are proud to be associated with Alok Industries Limited, as a partner and key strategic supplier for dyes and chemicals. It is also our privilege to be associated with Alok in a unique skill development initiative for the industry, 'The Advanced Academy for Development of Textile Technologist (AADTT)'.

On behalf of DyStar, I congratulate Alok Industries Limited for 25 years of existence and continuous achievement and wish them more success to make the nation proud!

Rajesh Balakrishnan
President South Asia, Managing Director
DyStar India Private Limited



Benninger

The management team and all the employees of Benninger Group and Benninger India Pvt Limited congratulate the Board of Directors, Management as well as all the employees of Alok Industries Limited upon the completion of 25 glorious years.

Our association with Alok Industries Limited started in the year 1991 as suppliers of "State-of-the-Art Technology" for Textile Finishing.

Throughout our association with Alok Industries Limited, we have found their management and team enthusiastic to adopt new technology and new processing methods in order to ensure high quality Home Textiles and Apparels to their customers.

We are proud to have been associated with the market leader Alok Industries Limited.

Benninger India Limited
Machinery Manufacturer - India



BASF

Alok Industries Limited is one of India's largest vertically integrated textile producers today. The growth of the company has been breathtaking right from its inception in 1986 when it started as a Private Limited Company. Its plant at Vapi uses state of art machinery, backed by a well-equipped testing laboratory and skilled technicians. The manufacturing process is mostly automated with little scope for human error. The raw material used is of top quality which shows Alok's adherence to good quality in its products. The Environment, Health & Safety norms followed by Alok are amongst the best in the world.

With such a set-up it is hardly surprising that Alok has successfully penetrated key world markets like European Union and The USA and has gained an appreciable share

Alok Industries is always on a lookout for innovation in machinery, dyes, chemicals and manufacturing processes. This has kept the company ahead of others in offering differentiation to its customers. Headed by a competent, knowledgeable and experienced top management team, Alok Industries is sure to scale newer heights in the future

We at BASF India have always stood by Alok Industries over the past decade and taken pride in growing with it. We do our best to provide solutions to support Alok Industries to be successful. Our relationship has grown stronger over the years.

As an ardent well-wisher of Alok Industries Limited, we wish the company & its stakeholders all the very best on the occasion of its silver jubilee. May it grow stronger every year and make our Country proud by its accomplishments in international markets

Murli Ramalingam
Textile Chemicals
BASF - The Chemical Company, India



Rieter

Alok Industries has demonstrated an amazing pace of diversification and expansion to become one of the leading integrated manufacturers of home textiles and garments. As a vertically integrated textile group, Alok derives tremendous strengths via economies of scale, to offer ultimate benefits to its customers.

Alok stepped up its global profile by opting for Rieter as a system supplier in 2007, with a trend setting highly automated compact spinning installation.

It has been a privilege for Rieter to develop this association further. With considerable potential for process optimization, Alok continues to improve its comprehensive offering to its customers from a single source.

Rieter Machine Works
Rieter India Private Ltd.



Caledonia Investments

As a substantial shareholder on the Board of Alok Industries, represented by Tim Ingram since 2004, Caledonia Investments has been in a position to witness the unflagging energy and dynamism of Alok's team, for whom we have the greatest respect, as well as enduring friendship.

In the seven years of our association, the team has generated extraordinary growth in production and sales, building one of the world's largest and most efficient vertically integrated textile manufacturing facilities. The Alok Group now employs over 23000 people and provides a growing set of social amenities for them. Alok is also a major exporter worldwide.

We congratulate all concerned on Alok's 25th anniversary and send to the company, its promoters and staff every best wish for a happy and prosperous future. Many thanks and best wishes.

Tony Hambro
Associate Director
Caledonia Investments



Mr. Ashok B. Jiwrajka (60) is the Executive Chairman of the Company. Mr. Jiwrajka completed his schooling and college from Mumbai. After a brief stint with two then leading textile companies, he joined the family partnership firm and went on to co-promote Alok Industries Limited in 1986 with his two brothers. Mr. Jiwrajka has a rich experience of over three decades in textiles. His functions as the Executive Chairman include participating in strategizing the company's growth trajectory besides overseeing the cotton yarn and home textile segment.



Mr. Dilip B. Jiwrajka (54) is the Managing Director of the Company. Mr. Jiwrajka did his schooling and college from Mumbai and subsequently his post-graduation in Business Entrepreneurship and Management. In the early 80s, he started the business of trading in textiles mainly for the readymade garment sector. Starting with a partnership firm, he gradually co-promoted Alok Industries Limited in 1986 along with his two brothers. His functions as the Managing Director include envisioning the company's growth strategy, responsibility for the apparel fabric and garment segments. He also oversees the Finance and Administration functions of the company, besides managing the operations of the overseas subsidiaries.



Mr. Surendra B. Jiwrajka (52) is the Joint Managing Director of the Company. Mr. Jiwrajka's schooling and college were completed in Mumbai. Immediately after his graduation, he joined the family partnership firm for trading in yarn and thereafter co-founded Alok Industries Limited in 1986 with his two brothers. Mr. Jiwrajka brings with him an invaluable experience of over 25 years in textiles. As the Joint Managing Director, he plays a critical role in charting the company's growth strategy, oversees the manufacturing and marketing functions of the polyester segment, domestic retail 'H&A' and is responsible for all capital expansion projects.



Mr. Chandra Kumar Bubna (58) is the Executive Director of the Company. He has been partnering with the promoters since 1982 and is associated with the company since May 1993 as a Board member in the capacity of an Additional Director and thereafter as Executive Director from May 1995. He is a graduate in commerce and associated with the textile industry in the field of marketing for about four decades. He manages the Company's marketing operations for the entire northern region and is also actively involved in the planning and execution of the Company's marketing strategies.



Mr. Ashok G. Rajani (62) is an Independent Director of the company since 27 May 1993. He is a graduate in commerce and the Founder Chairman of the Midas Touch Group and Midas Touch Apparel Private Limited, one of the leading garment export companies in the country. He has valuable experience in the field of garment manufacturing and exports. He is associated with various garment and textile organizations. He was the Chairman of the Export Promotion Committee of the Apparel Export Promotion Council and is a member on its Executive Committee. Till recently he was the President of The Clothing Manufacturers Association of India and was on the Board of Governors of The National Institute of Fashion Technology.



Mr. K.R. Modi (69) is an Independent Director of the company since 10 November 1994. He is an Advocate and Solicitor by profession with over 40 years experience. His academic qualifications include a Bachelor Degree in Arts and Law. He was a Senior Partner with Messrs Kanga & Company, a reputed firm of Advocates & Solicitors in Mumbai, who act as the company's Legal Advisors. He is well versed with the matters relating to Company Law and other allied acts.



Mr. Timothy Ingram (64) is an Independent Director of the company since 29 July 2005. He has done his Masters in Arts and Economics from Cambridge University, an MBA from INSEAD Business School and is a Fellow of the Chartered Institute of Bankers. He spent most of his career in banking (Grindlays Bank, ANZ, Abbey National) and then in 2002 became CEO of Caledonia Investments plc, a UK listed investment company. He retired from Caledonia Investments in 2010 and is now Chairman of Collins Stewart Hawkpoint plc, a UK listed investment banking and wealth management business.



Mr. David Rasquinha (50) is an Independent Nominee Director of the company since October 2009, nominated by Export Import Bank of India. He holds a first class graduate degree in Economics from Bombay University. He also holds a Post Graduate qualification in Business Management from XLRI, Jamshedpur, where he was awarded a Gold Medal in Economics. He is with Export Import Bank of India since 1985, presently designated as Chief General Manager and heads the project and trade finance group. He has a wide range of exposure and experience in the fields of export credit, treasury, multilateral agency funded projects, planning & research, risk management, trade finance and project finance.



Mrs. Thankom T. Mathew (58) is an Independent Nominee Director of the company since October 2009, nominated by Life Insurance Corporation of India. She is M.Sc (Chemistry) and joined LIC of India as Assistant Administrative Officer (AAO). She is presently working as Executive Director (Underwriting and Re-Insurance) with LIC of India. She has over 30 years of experience and specialises in the fields of marketing, finance, underwriting, administration and audit.



Mr. M.V. Muthu (65) is an Independent Nominee Director of the company since April 2011, nominated by IFCI Limited. He has done his BSc, ANSI – Sugar Technology, Programme in Investment Appraisal and Management from Havard. Mr. Muthu has rich and varied experience in the manufacturing segment and also in Financial services for over three decades. He joined IFCI Ltd as Asst. Technical Officer and served there in various capacities. He retired as CEO from IFCI Limited. He was Chairman of IFCI Venture Capital. He served on Boards of ITC and Andhra Pradesh Paper Mills Limited. He is also on the Expert Panel of the Technical Development Board of Government of India as a Finance Expert.



Ms. Maya Chakravorty (46) is an Independent Nominee Director of the company since June 2011, nominated by IDBI Bank Limited. She is B. E. (Chemical), MBA and CFA. She has rich and varied experience of over two decades. She joined SAIL as Management Trainee, worked with ONGC as Asst. Executive Engineer (Production) for 3 years. She joined IDBI Bank Limited as Manager and is presently the General Manager (Treasury), where she is in-charge of liquidity / fund management, resource mobilisation, statutory compliances like CRR / SLR, PD operation, etc.,



Seated : Niraj D. Jiwrajka
Standing L to R : Alok A. Jiwrajka, Varun S. Jiwrajka

Alok Jiwrajka

Alok, 34, has done his schooling and college from Mumbai before graduating with a BBA from the Loyola University in the United States of America.

Soon after completion of his overseas education program, Alok was given the responsibility of the fledgling home textile business. His sharp business acumen, a management style based on delegation and customer-centric skills have come together to develop this segment into close to a Rs. 1000 crore business for your company with the share of exports in this constituting over 95%.

In a relatively short span of time, he has built strong business relations with customers and his focus continues to be to grow this business, introduce innovative finishes and penetrate newer geographies as a de-risking measure.

Varun Jiwrajka

Varun, 26, is an alumnus of the University of Southern California in Los Angeles. He completed his schooling and college from Mumbai.

Varun assumes responsibility for the performance of "H&A", the domestic retail venture of Alok Industries Limited (Alok) managed by a wholly owned subsidiary, Alok H&A Limited. His dynamism and entrepreneurial instincts have combined to catapult H&A into one of the largest retail chains in the country with close to 400 stores, including shop-in-shops. Being a part of the core management team, Varun is now grooming himself to handle the reins of the polyester business of Alok.

Varun carries a pleasing demeanour and counts people skills as amongst his stronger attributes.

Niraj Jiwrajka

Niraj is 25 years of age and has done his BBA from the British American College in the United Kingdom after completing his schooling in Singapore.

Three years after being inducted into the business, during which time, he spent time across various functions Niraj today holds charge of the Knits division. He has been steadily enhancing the prospects of this segment, achieving a growth rate of over 50% in the year under review.

Niraj believes in human capital as the most important asset of your company and encourages an entrepreneurial style of working. He is currently involved in developing new markets and products as also streamlining plant efficiencies.

TEAM H.O.-SR. MANAGEMENT



Seated L to R - Alok Mehrotra, Rohit Seru, Preeti Rane, R. Rajaram, Shaji Varghese
Standing L to R - K.H. Gopal, Romi Agarwal, Anil Nair, Kalpesh Shah, Sunil Mehta, Deepak Mehta, Alok Bahadur, Madhusudhan Nagori, Suraj Alva, Sunil Khandelwal, Mesmer Michaeli

TEAM H.O.-MIDDLE MANAGEMENT



Seated L to R : Ashok Marathe, Dhruva Mall, Rakesh Rastogi, Yogesh Kalia, Ramesh Jain, Sunil Krishnan, Prasanna Kumar
Standing L to R : Husain Tayebkhan, Jitender Kumar, Virendra Rathi, K M Premkumar, Hitesh Shah, Jayesh Mehta, Ashish Khandelwal, Ajay K Narayanan, Gloria Sequiera, Rasika Jaywant, Minu Mishra, Narinder Thapa, Girish Mahajan, Sanjeev Pandey, Ashok Kumar, Shankar Singh Rawat, Hari Menon, Vipul Doshi, Sarweshwar Mantri, Thirupathi Talla, Rajnish Kharkar.

TEAM H & A



L to R - Ashmeer Sayyed, Venkatesh Rajamani, Reshabh Raizada, Vidyadhar Hegde, Nitin Jayawant, Pinesh Mehta

DESIGN TEAM H.O.



Seated L to R : Payal Seth, Nelson Jaffery, Saumya Mishra
Standing : Adnan Nulwala.

TEAM POLYESTER,WEAVING,KNITTING - SILVASSA



Seated L to R - Sanjav Sachdev, K.V.S Nair, Ganesh Gupta, RB Mahapatra, Sudhir N Singh, Rambilas Bidada, Tulsi Karnani
Standing L to R - Balraj Rastogi, R.B. Maid, Akhilesh Shukla, Kamal Tiwari, Sashi Bhushan Sharma, Rajiv Sharma, Supriyo Sarkar, Paresh Kulakshetra

TEAM SPINNING - SILVASSA



First Row L to R: S.P. Yadav, S. Mukerjee, S. Banerjee, T.N. Singh
Middle Row L to R: Murthy, Shankargowda, S.K. Agrawal, K.K. Dutta, M. S. Khaturia, M. S. Parkhi
Back Row L to R: R. Khalate, S.T. Jadhav, M. Joshi, C. Sharma, D.P. Singh, Siv Kumar, N. Mishra, A. M. Ranjan

TEAM MADEUP & GARMENTS - SILVASSA



L to R : Amit Meghani, Rajesh Chauhan, Ashok Thakkar, Iqbal Delar, K. S. Sandhu

TEAM HEMMING - SILVASSA



Front Row: Sunil Mishra, Mala Mukerjee, Amir Patel, Vipul Bhagat

Back Row: Amitava Adhikary, Vinay Sharma, Keshav Chaudhary, Rohidas Baviskar, Bharat Sukhwai

TEAM PROCESSING - VAPI



Seated L to R: S.P. Bubna, Bhuvanesh Gupta, H.H. Vasvani, S.C. Goyal, S.S. Aich, S. Giridhar, Gautam Goswami.

Standing L to R: Munish Sharma, Leeroy Fernandis, Gurpal Singh, Digvijay Singh, Santosh Jagtap, Daxesh Lala, Premendra Gopal, Qudus Munawar.

TEAM PROCESSING- PAWANE



Seated L to R: Anil Patel, Raju Kapadia, Umang Garg, Rajesh Khandelwal, Tushar Chakraborty.

Standing L to R: Pravin Chaskar, Umesh Devatarase, Kuriakose Polly, A. R. Sheikh, Pradeep Jadhav, Vaibhav Dhure, Atul Mishra, Ranjan Panigrahi, Niranjan Sajnani, Sandeep Upadhyaya,

TEAM TERRY TOWEL - VAPI



Seated L to R: Santosh Pandey, S. Giridhar, S. S. Rathod

Standing L to R: Anurag Singh, Kishor Prayag, Rahul Guleria, B.K. Singha, Somendu Sen, Nilesh Gore, Vinod Tomar, Umapati Lal, Arvind Kate

TEAM MADEUP & GARMENTS VAPI



L to R: S.P. Bubna, Monish Shah, S.C. Goyal, S.S. Aich, Leeroy Fernandes

TEAM-MILETA



Front Row L to R : Anna Turkova, Oatakar Patracek, Katerina Moravcova, Kamath Gopinath, Dinesh Mall, Zdenek Sedlak
Back Row L to R : Oldrich Cermack, Josef Vydra, David Trnka, Jana Kloutvorova, David Bauer, Stanislav Rydval

TEAMS-MARKETING



SRILANKA

Seated L to R : Kalid Fayiz, Nilesh Jabade & Niroshan



BANGALORE

Senthil Kumar, C K Mukundan



DELHI

Front Row L to R : Parveen Kumar, Mohit Goel, Vimal Chaturvedi, Brig Naveen Sodhi, Vishal Datta, Vikas Jain
Back Row L to R : Amit Tripathi, Aman Sihmar, Lalit Ramola, Kumar Gaurav, Vivek Sangwan, Hemant Saharia, Rohit Gupta, Satyam Bharti, Ajay Singh



CHENNAI

K. Sairam

TEAMS-STORE TWENTY ONE



UNITED KINGDOM

L to R: Stephan Hewson, Anupam Jhunjhunwala, Cath Norgate, Mark Wastmoreland, Jacqui Harris, Doug, Sinclair, Dean Cunningham, Nicola Jamieson, Louise Bramwich



DELHI

Seated L to R: Arpita Saha, Jasmeet Saluja
Standing L to R: Munishh Bagga, Yogesh Adhikari, Imran Khan, Atul Singh, Indru Vaswani, Narendra Negi, Hassim Khan Shreya Bakshi, Sher Singh



CHINA

Front Row L to R: Leary, Joey, Yuki, Heidi, Saeah
Middle Row L to R: Cathy, Vickie, Mandy, Banny
Back Row L to R: Jason, Phonix, Prashant Khadji, Sachin Surve, Frank, Gloria



MUMBAI

L to R: Rahul Patki, Neelam Surve, Dipti Rathod, Disha Nagpal, Vincent Paul



BANGLADESH

Front Row L to R: Md.Lutfur Rahman, Sakthi Saravanan, Atul Singh, Saud Siddiqui, Gauranga Mandal, Robiul Islam, Md.Jahangir Hossain, Md.Riazuddin
Back Row L to R: Md.Mazharul Islam, Md.Anwar Hossain, Md.Mozammel Haque, Md.Mushfiqur Rahman, Joyto Noyan Sarker, Mashekur Rahman, Md.Salim Hyder, Abu Sayeed Molla, Moinul Islam, Ahsan Ebne Zakaria, Md.Anisur Rahman



Naem Gawhar
Country Manager

GENERAL INFORMATION

Bankers

Allahabad Bank
Andhra Bank
Axis Bank Limited
Bank of Baroda
Bank of India
Bank of Maharashtra
Canara Bank
Central Bank of India
Corporation Bank
Dena Bank
Export Import Bank of India
Indian Bank
IDBI Bank Limited
ING Vysya Bank Limited
Oriental Bank Of Commerce
Punjab National Bank
Standard Chartered 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 Federal Bank Limited
The Karur Vysya Bank Limited
UCO Bank
United Bank Of India
Vijaya Bank

Statutory Auditors

Deloitte Haskins & Sells
Chartered Accountants
Gandhi & Parekh
Chartered Accountants

Internal Auditors

Bhandarkar & Co.
Chartered Accountants
Devdhar Joglekar & Srinivasan
Chartered Accountants
N.T. Jain & Co.,
Chartered Accountants
Shah Gupta & Co.
Chartered Accountants
T.R. Chadha & Co.
Chartered Accountants

Legal Advisors & Solicitors

Kanga & Co.

Chief Financial Officer

Sunil O. Khandelwal

President Corporate Affairs & Company Secretary

K. H. Gopal

Demat ISIN Number in NSDL & CSDL

Equity Shares - INE 270A01011

Website Address

www.alokind.com

E-mail Address

info@alokind.com

Registered Office

17/5/1 & 521/1 Rakholi/ Saily, Silvassa-396230
Union Territory of Dadra and Nagar Haveli

Corporate Office

Peninsula Tower,
Peninsula Corporate Park,
G. K. Marg, Lower Parel,
Mumbai - 400 013

Marketing Offices

Domestic

Delhi

F-2/9, 1st Floor, Okhla Industrial Estate
Phase I
New Delhi – 110 020

Bengaluru

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

Chennai

156, First Floor, Doshi Towers
Poonamallee High Road, Kilpauk,
Chennai – 600 010

Overseas

Sri Lanka

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

Bangladesh

House # 15A, (5th Floor)
Road # 5, Block – F,
Banani, Dhaka – 1213,
Bangladesh

China

Room No 701,
Youngong Communication Plaza,
East Wing Building, Zheijiang,
China

USA

1) 7 West, 34th Street,
Suite # 607, New York – 10001
2) 123 OAK, Lawn Avenue,
DALLAS, TX75207

Czech Republic

Husova 734, 508 01 Horice
Czech Republic

British Virgin Islands

Pasea Estate,
Road Town, Tortola
British Virgin Islands

Listing & Code

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

Registrar & Share Transfer Agent

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

Works

Spinning

412, Saily, Silvassa,
Union Territory of Dadra & Nagar Haveli

Weaving

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

Processing

a) 254, 261, 268, Balitha,
Taluka Pardi, Dist. Valsad, Gujarat

b) C-16/2, Village Pawane,
TTC Industrial Area, MIDC, Navi Mumbai
Dist. Thane.

Knitting

412, Saily, Silvassa
Union Territory of Dadra & Nagar Haveli

Hemming

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

Polyester Yarn (POY & Texturised Yarn)

521/1, Village Saily, Silvassa,
Union Territory of Dadra & Nagar Haveli

Garments

a) 374/2/2, Saily, Silvassa Khanvel Road,
Union Territory of Dadra & Nagar Haveli.
b) 17/5/1, Rakholi, Silvassa,
Union Territory of Dadra & Nagar Haveli
c) 273/1/1, Hingraj Industrial Estate,
Atiawad, Daman

Home Textiles

Bed Linen

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

Terry Towel

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

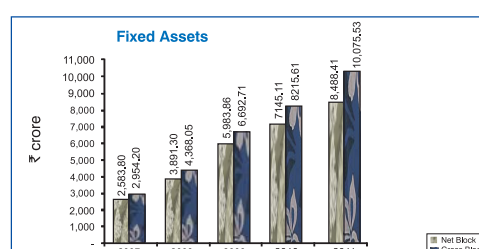
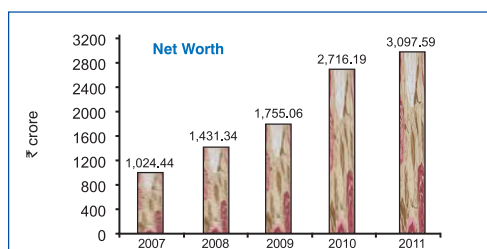
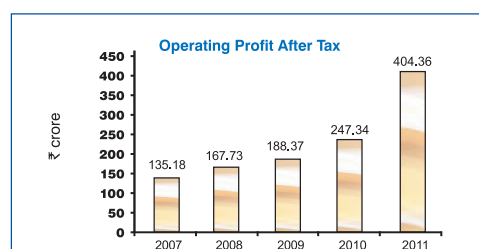
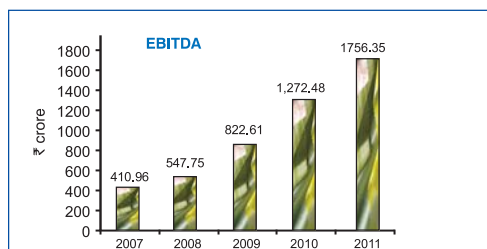
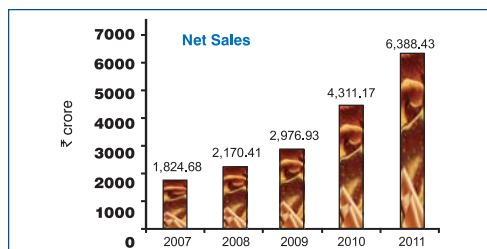
FINANCIAL HIGHLIGHTS

(₹ crore)

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Operating profits					
Net Sales	6,388.43	4,311.17	2,976.93	2,170.41	1,824.68
Operating Profit	1,756.35	1,272.48	822.61	547.75	410.96
Depreciation	518.79	362.61	233.50	161.96	123.04
PBIT	1,237.56	909.87	589.11	385.79	287.92
Interest	654.37	535.08	304.12	131.83	89.04
PBT (operating)	583.19	374.80	284.99	253.96	198.88
PAT (operating)	404.36	247.34	188.37	167.73	135.18
Cash Profit	1,039.51	711.89	513.98	393.14	302.50
Dividend	22.97	22.97	17.28	26.28	28.75
Net Cash Accruals	1,016.54	688.93	496.70	366.86	273.75
Financial Position					
Gross Fixed Assets	10,075.53	8,215.61	6,692.71	4,368.05	2,954.20
Net Fixed Assets	8,488.41	7,145.11	5,983.86	3,891.30	2,583.80
Current Assets	5,611.55	4,801.88	2,685.93	3,377.53	1,992.66
Foreign Currency Translation A/c	(0.22)	0.17	11.20		
Investments	167.18	229.69	478.58	618.96	219.49
Total Assets	14,266.92	12,176.85	9,159.58	7,887.79	4,795.95
Equity Share Capital	787.79	787.79	196.97	187.17	170.37
Reserves & Surplus	2,309.80	1,928.40	1,410.39	1,134.01	854.07
Tangible Net Worth	3,097.59	2,716.19	1,607.36	1,321.18	1,024.44
Share Application Money	—	—	137.50	—	—
Share Warrants	—	—	10.20	110.16	—
Quasi Net Worth – 1	3,097.59	2,716.19	1,755.06	1,431.34	1,024.44
Deferred tax liability – 2	507.66	406.98	307.97	210.48	141.82
Total Long Term Borrowings					
Secured Loans	6,967.46	6,056.69	4,948.43	3,706.66	2,049.13
Unsecured Loans – FCCB	—	107.21	121.01	94.87	202.87
Unsecured Loans	162.22	272.81	51.09	103.28	6.48
	7,129.68	6,436.71	5,120.53	3,904.81	2,258.48
Total Short Term Borrowings					
Secured Loans	889.98	1,186.19	608.64	550.00	215.00
Unsecured Loans	764.95	43.00	168.02	745.01	294.36
Working Capital Borrowings	868.96	843.78	699.16	567.49	568.92
	2,523.89	2,072.97	1,475.82	1,862.50	1,078.28
Total Borrowings – 3	9,653.57	8,509.68	6,596.35	5,767.31	3,336.76
Current Liabilities & Provisions – 4	1,008.10	544.00	500.19	478.66	292.93
Total Liabilities – 1 to 4	14,266.92	12,176.85	9,159.58	7,887.79	4,795.95
EPS	5.13	4.57	9.64	11.40	9.70
CEPS	12.90	9.04	24.04	20.53	16.99
Book Value	39.32	34.48	89.10	76.47	60.13

KEY RATIOS

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Profitability Ratios					
EBITDA (%)	27.49%	29.52%	27.63%	25.24%	22.52%
Profit Before Tax Margin (%)	9.13%	8.69%	9.57%	11.70%	10.90%
Profit After Tax Margin (%)	6.33%	5.74%	6.33%	7.73%	7.41%
Return on Net worth (%)	11.22%	7.92%	9.13%	10.22%	11.52%
Return on Capital Employed (%)	11.53%	9.52%	8.20%	6.96%	8.41%
Balance Sheet Ratios					
Net Debt (Long Term) – Equity including Deferred Tax Liability	1.66	1.62	2.31	1.36	1.26
Net Total Debt – Equity including Deferred Tax Liability	2.36	2.28	3.03	2.49	2.19
Current Ratio	1.59	1.83	1.36	1.44	1.45
Liquid Ratio	1.02	1.27	0.88	1.15	1.11
Coverage Ratios					
PBDIT/Interest	2.68	2.38	2.70	4.15	4.62
Net Fixed Assets/Secured Loans (1st Charge holders)	2.64	2.28	1.89	1.73	1.37
Working Capital Turnover Ratio	0.33	0.51	0.24	0.48	0.34
Debtors Turnover – Days	99	93	108	102	109
Inventory Turnover – Days	114	125	116	116	93





Dear Shareholders,

It gives me pleasure in sharing with you that in March 2011, your company, Alok Industries Limited achieved a land mark of 25 years of its incorporation. This 25 years of journey has been very enriching, mixed experience and we have learnt and matured in the process.

Looking back today, Alok has evolved into a integrated manufacturer and has emerged as world class Textile solution provider in apparel fabrics ,home textiles, garments, and polyester yarns, selling directly to some of the world's top brands and retailers, manufacturers, exporters and importers.. Its core textiles business has the unique positioning of being integrated across the cotton and polyester fibre production chains and has the flexibilities in capacity to optimise opportunities in the ever changing market. In addition, during this period, the Company has established strong relationships with sales channels and customers both in the domestic and export markets.

More particularly, your Company has utilised the last decade to create competitive and world class capacities and capabilities, which need to be optimally utilised in the coming years. The tree has been planted which is ready to bear the fruits.

On 25th anniversary , there are several reasons to celebrate. We have gained a strong footing in the global textiles and apparels market, completed projects and commissioned capacities across products according to plans, and grown into a Company with a turnover over of ₹ 6,388 crore in 2010-11 and emerged as one of the largest integrated textile manufacturing company in the global textile market. Today, it gives me and the team at Alok even more satisfaction to look forward at the potential for quantum growth that lay ahead. The spade work has been done and most of the large investments are in place. The next decade will be about sweating assets and reaping benefits while maintaining the growth momentum.

The strategic investments into Realty and overseas retail too, are starting to create value on their own. Alok Industries looks forward to monetising these strategic investments as these assets are now ready and Should yield significant revenue.

Macro-economic trends suggested that global economic growth was back on track. You would recollect that in the calendar year (CY) 2009, global output had actually reduced by 0.5% with advanced countries witnessing output contraction by (-) 3.4%. Even emerging and developing economies, who were earlier growing by over 6.5%, witnessed a reduction in growth rate to 2.7%. By the end of 2009 we had already started observing encouraging trends in the emerging economies of China and India, and in the world's largest economy – USA. Fortunately, this was no aberration and the positive trend continued through CY2010. Most of the developed economies bounced back – USA grew by 2.8% in CY2010 against (-) 2.6% in CY2009; the Euro Zone grew by 1.7% in CY2010 against (-) 4.1% in CY2009; and Japan grew by 3.9% in CY2010 against (-) 6.3% in CY2009.

The revival has been even more rapid in the emerging and developing economies. As a group, these countries witnessed a much higher output growth of 7.3% in CY2010. Estimates suggest that China grew by around 10% in CY2010, while India recorded a GDP growth of 8.5% in 2010-11, on the back of 8% growth in 2009-10. And, the global economy has recovered to record a growth of 5% in CY2010.

Estimates suggest that driven by strong demand with improvement in economic conditions, world textile fibre consumption grew by 5% and hit record levels in CY2010. The demand pull led to a steep price increase in the dominant fibre – cotton. Consequently, by the end of 2010-11, there was a move towards man-made fibres and polyester demand and prices started to rise. There will be short term issues across different parts of the textile value chain given changes in trends

and choices. However, over a longer term the important thing is demand is back on a global footing.

With an anticipated CAGR of 5.7% for the five-year period 2009-2014, the global textiles market is expected to grow to \$1,369.8 billion by the end of 2014. In this growing global market, India has great potential to grow its textiles and apparel output by serving both its growing domestic market and exports. In fact, given its competitive cost structures, estimates suggest that India's US\$ 70 Billion Textile and Apparel industry has the potential to grow at 11% per annum to reach US\$ 134 Bn in 2015.

Alok has positioned itself as a large integrated player with world class standards and production across both the polyester and the cotton chain and as such, has ensured that it has market for its wide range of products in any global scenario.

Your Company continued to progress in utilising all the opportunities during 2010-11. The highlights of the financial performance, on a stand-alone basis are:

- Net Sales increased by 48.18% from ₹ 4,311.17 crore in 2009-10 to ₹ 6,388.43 crore in 2010-11. Growth was driven by a 51.55% increase in domestic sales – ₹ 4,171.00 crore in 2010-11 against ₹ 2,752.18 crore in 2009-10; and exports increased from ₹ 1,558.99 crore in 2009-10 to ₹ 2,217.43 crore in 2010-11 – growth of 42.24%.
- Earnings Before Interest, Depreciation, Tax and Amortisation (EBIDTA) increased by 38.03% to ₹ 1,756.35 crore in 2010-11 against ₹ 1,272.48 crore in 2009-10. Given the high material costs, EBIDTA margins reduced from 29.52% in 2009-10 to 27.49% in 2010-11
- Profit Before Tax (PBT) increased by 55.60% from ₹ 374.79 crore in 2009-10 to ₹ 583.19 crore in 2010-11. Profit After Tax (PAT) was 404.36 crore; a growth of 63.48% over ₹ 247.34 crore PAT generated in 2009-10
- Return on Net worth (RONW) improved from 7.92% in 2009-10 to 11.22% in 2010-11. This was driven by the growth in sales and profits

These results primarily describe the performance of the textile operations, which is the core business of the Company. Importantly, all the divisions within this business across the textile value chain have contributed positively to this growth.

The company faced challenges in terms of cost of raw materials, especially cotton. While the company continued to focus and reduced people costs, interest costs and other overhead costs as a ratio to sales, it could not offset the rise in material costs completely and profit margins were affected to same extent. We continue to make all efforts at improving value additions, reducing operation costs and improving efficiencies to overcome higher input costs, which is a reality that the industry has to face in the near future. Going forward, we believe that higher economies of scale with the added capacities coming on stream will help in improving ROCE.

As I have said, the focus for the next round of growth is to get greater returns from investments, generate more free cash in the system and financially deleverage the business. On two of these fronts, ROCE and cash generation, already there were positives in 2010-11.

- Return on Capital Employed (ROCE) was 11.53% in 2010-11, up from 9.52% generated in 2009-10
- Net cash flow from operating activities increased by 526% from ₹ 184.56 crore in 2009-10 to ₹ 1,155.87 crore in 2010-11

If this trend is maintained and hopefully further improved in the coming years, I am sure we will succeed in the third endeavour of reducing financial debt. In this respect, it is also heartening to note that our primary investments are also starting to move in the right direction.

The retail operations, both at home and in UK are starting to gain traction and moving towards profitability. The 'H&A' chain of stores continued to spread its stores across India with a total of 291 outlets (including shop-in-shop) by the end of 2010-11. The target is to have about 500 stores operational over next two years. Alok H&A Limited recorded sales of ₹ 40.37 crore in 2010-11 and generated cash profits. 'Store Twenty One', the UK retail chain of value-format stores did reasonably well during the year. The company for the first time has shown a positive EBITDA of £ 1.71 mn in 2010-11. For the 12 month period ended March 2011, the stores have registered sales of £ 129.75 mln as compare to £ 117.06 mln in FY 2010 – a growth of 10.84%.

Even the international operations of the Czech subsidiary – Mileta – have turned around. Net Sales grew by 3.02% from € 19.85 million in 2009-10 to € 20.45 million in 2010-11. This revenue growth has contributed to PBT turning around from a deficit of – € 1.54 million in 2009-10 to profits of € 0.70 million in 2010-11.

The commercial real estate projects are also completed and we look forward to monetising these assets in the near future and use the proceeds to repay consolidated debt.

I urge you to read the details of our operations in 2010-11 that has been detailed out in the chapter on Management Discussion and Analysis.

Your Company also appreciates that this performance level cannot be reached and sustained without the right quality of people. With this belief, your Company has laid significant emphasis on its HR practices. There are concerted efforts to ensure that the most appropriate people are recruited into the organisation. A culture of training, people development and meritocracy to ensure that maximum human capital efficiency is continuously promoted across the Company and its subsidiaries and associates. At the same time, employees have the satisfaction of working in an organisation that encourages skill development and learning and monitors career growth.

I would like to take this opportunity to thank each and everyone associated with the Alok Group in its journey over the past 25 years and going forward. Let me also extend a special word of gratitude to all our vendors, customers, bankers and government authorities. Finally, to you, our shareholders, thank you for reposing faith in our business.

Yours Sincerely,

Ashok B. Jiwrajka
Executive Chairman

MANAGING DIRECTOR'S MESSAGE



It gives me great pleasure and sense of pride in seeing your Company entering its landmark 25th years. Your continued support and faith in your Company has helped it reach this far. With a vision to emerge as a leading player in the global textile industry, your Company started off its operations in 1986 as a small venture promoted by a group of people who had only their passion and entrepreneurial ability to bank on. Your company is now in its Silver Jubilee year as a leading integrated textile enterprise with a significant presence on the cotton and polyester segments.

I am seeing a world of opportunity for your company to carve out a greater share in the textile industry, especially in the technical textile and work wear space and your company will spare no effort in asserting itself as a dominant player in this segment too.

This year and the next should also see your company deriving benefits of additional cash flows through sale of its realty projects .

On the eve of the completion of 25 years, I wish to reiterate that your company remains on a firm growth trajectory and your unwavering support will enable it to scale greater heights in the years to come.

I thank every one of you for your tremendous commitment and look forward to your continued support.

Dilip B. Jiwrajka
Managing Director

JOINT MANAGING DIRECTOR'S MESSAGE



I am delighted to share my thoughts with you on the occasion of the 25th year of your company.

This is a special time in our company's history as we celebrate our 25th anniversary. We were incorporated on March 12, 1986, and have spent these years continuing to build our brand, which stands for our commitment to deliver Integrated Textile Solutions.

There are quite a few employees who have been with us since the beginning.


There's a reason why they are still there. It's the culture at Alok where the emphasis is on personal development. It's the growth, change and flexibility they been able to enjoy over the years. People are positive and the feel of each location is positive.

Alok is indeed a remarkable company.

Looking ahead, we are focused on accelerating the execution of our growth strategy, especially on the polyester side, while continuing to build on the strength of our brand. We will continue with our endeavour in helping our customers achieve high performance while bringing about a positive change to the environment in which we work and live. I am excited about this journey and truly believe the best of Alok is yet to come.

We thank you for your support and co-operation demonstrated thus far and are proud to work with you towards a shared future.

Surendra B. Jiwrajka
Joint Managing Director

Alok's Logo  was created in 2000 as a reflection of the Company's growing presence in areas of core competencies. The 'A' in the symbol is presented in an integrated arrangement, which nonetheless leaves ample room, scope and freedom for growth within its free-flowing lines. It represents the integrated units of the Company. In addition, the clean lines depict modernity and steadfastness of purpose. An open attitude that on the one hand establishes a towering leadership as well as on the other, an openness to the customer.

The bottom swoosh depicts a reach within boundaries that could be termed as limitless, spanning the world as it were. The two basic colour combination Blue and Red also enhance the symbol's noticeability. Blue depicts aesthetics and beauty, so evident in every line of the Company's various manufacturing divisions. And Red is represented here as speed and reach. Speed of response to changing environment and demands. And a reach that spans across the global market.

This LOGO was further modified to its present form highlighting the company's unique position in providing Integrated



Textile Solutions to its customers.

■ Alok introduced the term "Integrated Textile Solution" in the year 2000 when it had facilities for Texturising, Weaving, Knitting and Batch Processing facilities. From such modest beginnings, it has grown into the largest integrated textile company in the country with five core divisions: Cotton Yarn, Apparel Fabrics, Home Textiles, Garments and Polyester Yarn, a powerful example of the "Power of Vision".

■ From exports of ₹ 9 crore in FY 2000, Alok has increased its exports over 246 times in 11 years to reach ₹ 2217 crore in FY 2011 at a CAGR of 73% and has emerged as the amongst the largest textile exporters in the country. It got the 'Export Trading House' status in 2003 and became a recognized "Star Trading House" in 2011. Today products manufactured by the company are exported to more than 70 countries in the world and constitute about 35% of company's total sales.

did you know?



■ Alok's sales has grown at a CAGR of 35% and its Profit After Tax (PAT) has increased at a CAGR of 50% since its inception. For the year ended 31.03.2011, its sales stood at ₹ 6,388 crore and PAT at ₹ 404 crore.

■ Alok was the first textile company to get the Integrated Management System (IMS) certification for its manufacturing facilities at Silvassa and Vapi. IMS is a consolidated certification comprising of:

- ISO 9001:2008 (Quality Management System)
- ISO 14001:2004 (Environment Management System)
- OHSAS 18001:2007 (Operational Health & Safety Assessment System) and
- SA 8000:2008 (Social Accountability)

■ Alok, in its maiden attempt, won the IMC - Ramakrishna Bajaj National Quality (RBNQ) Performance Excellence Trophy - 2010 in the Manufacturing Category.

■ Beginning with about 100 people in 1989, Alok presently has about 23,000 employees making and is amongst the 25 largest employers in India. In Silvassa, not only is Alok the largest employer, but also employs about 2000 tribal women, serving a unique social cause.

■ With a vision to create a unique knowledge and technologically advanced platform for the identification, skill enhancement and career development of human resources for the Textile Industry, Alok has played a pivotal role in setting up of the Advanced Academy for Development of Textile Technologists (A.A.D.T.T.) in association with DyStar India.

■ As part of its Corporate Social Responsibility (CSR), Alok has promoted ALOK PUBLIC SCHOOL in 2011 under the CBSE curriculum where around 1500 students can study from kindergarten till the twelfth standard. The school would be managed and administered by the 'BJJ Memorial Educational Charitable Trust'.

NOTICE

NOTICE is hereby given that the **Twenty Fifth Annual General Meeting** of the members of **ALOK INDUSTRIES LIMITED** will be held on Thursday, the 29 September 2011 at 12.00 noon at the Registered Office of the Company at Survey Nos.17/5/1 & 521/1, Rakholi/ Saily, Silvassa – 396230, Union Territory of Dadra and Nagar Haveli, to transact the following businesses.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31 March 2011, the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31 March 2011.
3. To appoint a Director in place of Mr. Chandrakumar Bubna, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Timothy Ingram who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. Gandhi & Parekh, Chartered Accountants and M/s. Deloitte Haskins & Sells, Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

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

“RESOLVED that M/s. Gandhi & Parekh, Chartered Accountants (Registration No. 120318W) and M/s. Deloitte Haskins & Sells, Chartered Accountants, (Registration No. 117366W) be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting, on such remuneration, plus service tax as applicable and reimbursement of out of pocket expenses in connection with the audit as shall be fixed by the Board of Directors fix in this behalf.”

SPECIAL BUSINESS:

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

“RESOLVED THAT in supersession of the resolution passed by the members of the Company under section 293(1)(d) of the Companies Act, 1956, in the Annual General Meeting held on 17 September 2010, thereby limiting the borrowing powers of the Board of Directors of the Company upto ₹11,000 crore (Rupees Eleven Thousand crore only), the consent of the Company be and is hereby accorded pursuant to Clause (d) of Sub-section (1) of Section 293 and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company for borrowing from time to time any sum or sums of monies, as it may considered fit for the business of the Company on such terms and conditions as it may deem fit and expedient in the interests of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves (that is to say, reserves not set apart for any specific purpose) provided that the maximum amount of monies so borrowed by the Company shall (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) and outstanding at any given point of time, not at any time exceed the sum of ₹15,000 crore (Rupees Fifteen Thousand crore only).”

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

“RESOLVED THAT pursuant to the provisions of Clause (a) of Sub-section (1) of Section 293 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Directors of the Company for mortgaging and/or charging all or any of the present and/or future movable and/or immovable properties and assets and the whole or substantially the whole of the undertaking(s) of the Company, on such terms and conditions and in such form and manner, as the Directors may determine for the purpose of securing unto various lenders who have granted and/or who may hereafter grant to the Company, financial facilities in the nature of short term/ long term loans, bridge loans, short term/long term secured Non-Convertible Debentures or other forms of secured financial facilities for an aggregate nominal value not exceeding ₹ 15,000 crore (Rupees Fifteen Thousand crore only) for the purpose of securing the said financial facilities granted/ to be granted to the Company, together with interest, further interest, liquidated damages, costs, charges, expenses and other monies payable by the Company under the terms of the respective financial facilities.”

“RESOLVED FURTHER THAT the Directors of the Company be and are hereby authorised to finalise with the respective lenders the security documents and such other agreements for creating or evidencing the creation of mortgage and/or charge as aforesaid and to do all such other acts, deeds and things and resolve any matter as may be necessary for giving effect to this Resolution.”

By Order of the Board

K.H. Gopal
President (Corporate Affairs) &
Company Secretary

Registered Office:

17/5/1 & 521/1,
Rakholi / Saily,
Silvassa – 396 230,

Place : Mumbai

Date : 29 July 2011

NOTES:

1. 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.
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, is enclosed hereto.
4. The Register of Members and Share Transfer Books of the Company will be closed from Thursday, the 22 September 2011 to Thursday, the 29 September 2011 (both days inclusive).
5. If the dividend on shares, as recommended by the Board of Directors, is declared at the Meeting, payment thereof will be made:
 - (i) to those members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company's Registrars and Share Transfer Agent (R&TA) M/s. Link Intime India Private Limited as on 22 September 2011; and
 - (ii) in respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as on 22 September 2011 in case of shares held in demat form.
6. 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, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai 400 078, India, Tel: +91 22 2596 3838, Fax: +91 22 2594 6969, in respect of their physical shares, if any, quoting their folio nos.
7. 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.
8. 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.
9. 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.
10. The Company has already transferred the unclaimed Dividend, declared upto the financial year ended 31st March 2003 to the Investor Education and Protection Fund (IEPF).

NOTICE

Members who have not encashed their dividend warrants pertaining to the year 2003–2004 have already been informed through a separate individual written notice to approach the Company's R&TA on or before 29 September 2011, to check up and send their claims, if any, before the amounts become due for transfer to IEPF.

Pursuant to the provisions of Section 205A of the Companies Act, 1956 dividends for the financial year ended 31 March 2004 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
31.03.2004	30.09.2004	29.09.2011	29.10.2011
31.03.2005	29.09.2005	28.09.2012	28.10.2012
31.03.2006	29.09.2006	28.09.2013	28.10.2013
31.03.2007	25.09.2007	24.09.2014	24.10.2014
31.03.2008	29.09.2008	28.09.2015	28.10.2015
31.03.2009	25.09.2009	24.09.2016	24.10.2016
31.03.2010	17.09.2010	16.09.2017	16.10.2017

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 above immediately 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.

11. Members may avail themselves of the facility of nomination in terms of Section 109A of the Companies Act, 1956 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.

12. **Re-appointment of Directors:**

At the forthcoming Annual General Meeting, Mr. Chandrakumar Bubna and Mr. Timothy Ingram, retire by rotation and being eligible offer themselves for re-appointment. The information/details pertaining to the above two Directors that is to be provided in terms of Clause 49 of the Listing Agreement executed by the Company with the Stock Exchanges are furnished in the statement of Corporate Governance published elsewhere in this Annual Report.

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

Bombay Stock Exchange Limited Floor 25, P. J. Towers, Dalal Street, Fort, Mumbai – 400 001.	National Stock Exchange of India Limited, Exchange Plaza, 5 th Floor, Plot No.C/1, “G” Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.
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The Listing fees in all the above stated Exchanges have been paid upto 31 March 2012.

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

By Order of the Board

K. H. Gopal
President (Corporate Affairs) &
Company Secretary

Registered Office:

17/5/1 & 521/1,
Rakholi/ Saily,
Silvassa – 396230,
Union Territory of Dadra & Nagar Haveli

Place : Mumbai

Date : 29 July 2011

Important Communication to members

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

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant To Section 173(2) Of The Companies Act, 1956

Item No.6

At the Annual General Meeting of the Company held on 17 September 2010, the members had accorded their consent pursuant to Section 293(1)(d) of the Companies Act, 1956, to the Board of Directors of your Company for borrowing monies upto a limit of ₹11,000 crore. In view of the increasing activities and operations and considering the expansion programs of your Company, it is thought fit to increase the limit to ₹15,000 crore.

The Resolution at item no.6 is therefore, placed for the approval of the Members pursuant to Section 293(1)(d) of the Companies Act, 1956.

None of the Directors of your Company is, in any way, concerned or interested in this resolution.

Item No.7

As stated in the explanatory statement at Item No.6 of this notice, your Company's activities and operations are increasing, thereby necessitating borrowings as stated in the resolution at Item No.6. Your Directors consider that it would be expedient to have the approval of the shareholders for creating mortgage/charge in favour of various lenders in the event of your Company availing financial facilities of a secured nature.

The Resolution at item no.7 is therefore, placed for approval of the members pursuant to Section 293(1)(a) of the Companies Act, 1956.

None of the Directors of your Company is, in any way, concerned or interested in this resolution.

By Order of the Board

K. H. Gopal
President (Corporate Affairs) &
Company Secretary

Registered Office:

17/5/1 & 521/1,
Rakholi/ Saily, Silvassa – 396230,
Union Territory of Dadra & Nagar Haveli

Place : Mumbai

Date : 29 July 2011

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders:

We have pleasure in presenting the 25 Annual Report of your Company together with the Audited Accounts for the financial year ended 31 March 2011. The summarized financial results (stand-alone and consolidated) are given below in Table 1.

Table 1: Financial Highlights: Stand-Alone and Consolidated

(₹ crore)

Particulars	Standalone		Consolidated	
	2010-11	2009-10	2010-11	2009-10
Sales / Job charges (net of excise)	6,388.43	4,311.17	6,614.90	4,424.34
Other Income	6.44	64.02	5.03	64.68
Total Income	6,394.87	4,375.19	6,619.93	4,489.02
Total Expenditure	4,638.52	3,102.71	4,912.69	3,257.23
Operating Profit before interest, depreciation & taxes	1,756.35	1,272.48	1,707.24	1,231.79
Interest	654.37	535.08	675.03	578.90
Depreciation	518.79	362.61	530.97	366.92
Profit Before Tax	583.19	374.79	501.24	285.97
Less : Provision for Taxation				
Current	(120.57)	(63.56)	(123.52)	(65.94)
MAT credit entitlement	42.25	34.26	42.25	34.26
Deferred	(100.68)	(99.01)	(97.34)	(96.96)
Fringe Benefit Tax	—	—	—	0.02
Prior period adjustment of Tax	0.17	0.86	0.11	0.46
Profit After Tax	404.36	247.34	322.74	157.81
Add/(Less) :				
Share of Profit from Associates	—	—	(10.89)	(20.74)
Minority Interest	—	—	(0.31)	0.64
Profit After Tax after Minority Interest	404.36	247.34	311.54	137.71
Add/(Less) : Balance Brought Forward	180.91	276.63	(52.48)	149.78
Balance available for Appropriation	585.27	523.97	259.06	287.49
Add/(Less) :				
Excess Provision of Dividend for Earlier Years	—	—	(0.40)	(0.15)
Dividend on Equity	(19.69)	(19.69)	(19.69)	(19.69)
Tax on Dividend	(3.27)	(3.27)	(3.27)	(3.27)
Transfer to Capital Redemption Reserve	—	—	—	—
Transfer from/(to) Debenture Redemption Reserve	384.30	(300.10)	384.30	(296.63)
Transfer to General Reserve	(25.00)	(20.00)	(25.03)	(20.23)
Balance carried to Balance Sheet	921.61	180.91	594.97	(52.48)

Notes: Previous years' figures have been regrouped wherever necessary to bring them in line with the current year's representation of figures

Performance

During the financial year, your Company sales increased by 48.18% to ₹ 6,388.43 crore and achieved profit after tax of ₹ 404.36 crore, an increase of 68.48 % over the previous year. The exports of your Company for the year, including incentives, increased by 42.24% to ₹ 2,217.43 crore. All the divisions of your company recorded growth both in domestic and export sales.

Details of your Company's performance for the year under review are given in the 'Management Discussion and Analysis', which forms part of this Directors' Report.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dividend

Your Directors have recommended a dividend of ₹ 0.25 per equity share of ₹ 10/- each (previous year ₹ 0.25 per share) for the financial year ended 31 March 2011 and seek your approval for the same. If approved, the total amount of dividend to be paid to the equity shareholders will be ₹ 19.69 crores (excluding tax of ₹ 3.27 crores). Based on the above dividend payout (including dividend tax), the dividend payout ratio works out to 5.68% of Profit After Tax (PAT) as against 9.28% for 2009-10.

Capital

During the year under review, your Company, as per the terms of Letter of Offer dated 19 March 2009 and relevant provisions of Articles of Association of the Company, forfeited 13,921 partly paid rights equity shares held by 83 shareholders for non-payment of allotment money of ₹ 5/- and interest due thereon.

Consequent to the forfeiture of Rights shares the Company's equity share capital as on 31 March 2011 stands at ₹ 787.78 crore divided into 78,77,84,357 fully paid equity shares of ₹ 10/- each.

FCCBs

The 475 outstanding FCCBs of USD 50000 each aggregating to ₹ 107.21 crore as at 31 March 2010 were redeemed during the year, on their due date i.e. 26 May 2010.

Reserves

The balance available for appropriation as at 31 March 2011 amounted to ₹ 585.27 crores. After providing for dividend and dividend tax of ₹ 22.96 crore, your Company proposes to bring ₹ 384.30 crore from Debenture Redemption Reserve and transfer ₹ 25.00 crore to General Reserve. After providing for these, the balance of the Profit & Loss Account would stand at ₹ 921.61 crore.

At the end of the financial year, the total reserves of the company, stood at ₹ 2309.80 crores compared to ₹ 1928.40 crore in at the end of previous year.

Loans

During the year under review, your Company has raised incremental debt of ₹ 1143.89 crore, both secured and unsecured, by way of rupee loans, foreign currency loans and non-convertible debentures for meeting capital expenditure and working capital requirements. The total debt at the end of year stood at ₹ 9653.57 crore compared to ₹ 8509.68 crore at the end of previous year.

Capital Expenditure

During the year under review, your company has incurred a capital expenditure of ₹ 1858.81 crore across various divisions. A major portion of these were towards cotton spinning, expansion of weaving and processing capacities, setting up additional Continuous Polymerization (CP) plant, expansion of Texturising Plant and regular capex.

Details of your Company's capacities across various divisions are provided under the head 'Capacity Expansion' in the Management Discussion and Analysis annexed to this Report.

Merger

Your Directors at their meeting held on 29 July 2011 approved the proposal of amalgamation of Grabal Alok Impex Limited ('GAIL') into the Company as per terms and conditions mentioned in the Scheme of Amalgamation to be filed with the stock exchanges. The salient features of the proposed Scheme are as under:

- Amalgamation of GAIL with the Company;
- The Appointed Date of the Scheme will be 1 April 2011;
- The Company to issue its shares to the shareholders of GAIL as on record date, based on the share exchange ratio determined by the independent valuers, M/s Ernst & Young Private Limited and the fairness report provided by Fortune Financial Services (India) Limited and approved by the Board of Directors of the Company which is as under:

"1 (One) fully paid up equity share of ₹ 10 each of the Company shall be issued and allotted for every 1 (One) equity share of ₹ 10 each held in GAIL"

DIRECTORS' REPORT TO THE SHAREHOLDERS

- (d) The Scheme is subject to approval of the shareholders, creditors, the Financial Institutions /Banks, the Hon'ble High Court of Bombay, relevant stock exchanges and any other statutory or regulatory authorities, which by law may be necessary for the implementation of the Scheme.

Subsidiary Companies

At the end of the financial year under review, your Company had the following subsidiaries:

Subsidiaries of Alok Industries Limited		
1.	Alok Industries International Limited (incorporated in the British Virgin islands)	
2.	Alok International Inc. (incorporated in the state of New York, USA)	
3.	Alok Inc. (incorporated in the state of New York, USA)	
4.	Alok Infrastructure Limited	
5.	Alok H&A Limited	
6.	Alok Retail (India) Limited (Formerly known as Alok Homes & Apparel Private Limited)	
7.	Alok Apparels Private Limited	
8.	Alok Land Holdings Private Limited	
Step-down subsidiaries of Alok Industries Limited		
Parent Company	Subsidiary	%Holding
Alok Industries International Limited	Mileta, a.s.(incorporated in the Czech Republic)	100% holding
Alok Infrastructure Limited	Alok European Retail, s.r.o.	100% holding
	Alok Realtors Private Limited	100% holding
	Alok HB Hotels Private Limited	100% holding
	Alok HB Hotels Properties Limited	100% holding
	Springdale Information and Technologies Private Limited	100% holding
Alok Land Holdings Private Limited	Kesham Developers & Infotech Private Limited	100% holding
	Alok Aurangabad Infratex Private Limited	100% holding
	Alok New City Infratex Private Limited	100% holding

The Ministry of Corporate Affairs, Government of India has issued a Circular No.2 / 2011 dated 8 February 2011 granting general exemption to Companies under section 212 (8) from attaching the documents referred to in section 212 (1) pertaining to its subsidiaries, subject to approval by the Board of Directors of the Company and furnishing of certain financial information in the Annual Report.

The Board of Directors of the Company have accordingly accorded approval for dispensing with the requirement of attaching to its Annual Report the annual audited accounts of the Company's subsidiaries.

Accordingly, the Annual Report of the Company does not contain the individual financial statements of these subsidiaries, but contains the audited consolidated financial statements of the Company, its subsidiaries and associate. The Annual Accounts of these subsidiary companies and the related detailed information will be made available to the shareholder of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the Subsidiary Companies will also be kept for inspection by any shareholder at its registered / corporate office and that of the concerned subsidiary companies. The statement pursuant to the approval under section 212 (8) of the Companies Act, 1956 is annexed together with the Annual Accounts of the Company.

Consolidated financial statements

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

Shift in Registered Office

The registered office of your company was shifted from 'B/43, Mittal Tower, Nariman point, Mumbai 400 021, Maharashtra' to '17/5/1 & 521/1 Rakholi / Saily, Silvassa - 396 230, Union Territory of Dadra & Nager Haveli effective from 25 June 2010 pursuant to an Order passed by the Company Law Board.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Business and Operations

The business prospects of your company are quite encouraging considering the demand outlook in domestic as well as export markets. The drivers of growth are however different for both the markets.

More details about your Company's business operations and new initiatives are contained in the Management Discussion & Analysis.

Awards and Recognition

During the year under review, your Company was awarded the following awards and recognitions by the Cotton Textile Exports Council of India (TEXPROCIL) in three categories:

- ❖ **Gold Trophy** in Highest Exports of Bleached/ Dyed/ Yarn – dyed/ Printed Fabrics"
- ❖ **Gold Trophy** in – "Highest Exports of Bed – Linen/ Bed sheets/ Quilts"
- ❖ **Silver Trophy** in – "Highest Global Exports"
- ❖ The Company is the proud **winner of IMC – Ramakrishna Bajaj National Quality (RBNQ) Performance Excellence Trophy** – 2010 in its maiden attempt



Corporate Social Responsibility

Details of your Company's Corporate Social Responsibility (CSR) initiatives are given in a separate section, 'Sustainability', which forms part of the accompanying Management Discussion and Analysis and Annual Report.

Corporate Governance

A separate report on Corporate Governance is enclosed as a part of this Annual Report. A certificate from the Statutory Auditors of your Company regarding compliance with Corporate Governance norms stipulated in Clause 49 of the Listing Agreement is also annexed to the report on Corporate Governance.

Fixed Deposits

Your Company does not have any fixed deposits under section 58A and 58AA of The Companies Act, 1956 read with Companies (Acceptance of Deposits) Rule, 1975.

Insurance

All the insurable interests of your Company including inventories, buildings, plant and machinery are adequately insured.

Directors

Mr. Chandrakumar Bubna and Mr. Timothy Ingram will retire from office by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment. Brief resumes of these Directors, in line with the stipulations of Clause 49 of the Listing Agreement, are provided elsewhere in this Annual Report.

During the year, A. B. Dasgupta, nominee director of IDBI Bank Limited, resigned from the Board of Directors w.e.f. 1 November 2010 and in his place Mr. Debashish Mallick was appointed as IDBI's nominee. The Board wishes to place on record their appreciation for the contribution of Mr. A. B. Dasgupta during his tenure as Directors of your Company.

Directors' Responsibility Statement

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors subscribe to the 'Directors' Responsibility Statement' and hereby confirm that:

- in the preparation of the annual accounts for the financial year ended 31 March 2011, the applicable Accounting Standards have been followed and there has been no material departure;

DIRECTORS' REPORT TO THE SHAREHOLDERS

- the Directors have selected such accounting policies, consulted and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31 March 2011 and of the profit of your Company for the year on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts for the financial year ended 31 March 2011 on a 'going concern' basis.

Auditors and Auditors' Report

M/s. Deloitte Haskins & Sells, Chartered Accountants and M/s Gandhi & Parekh, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letters from the above named Auditors to the effect that their re-appointment, if made, would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956 and that they have not disqualified for re-appointment within the meaning of the section 226 of the said Act.

The observations made in the Auditors' Report are self-explanatory and therefore, do not call for any further comments under section 217(3) of the Companies Act, 1956.

Cost Auditor

Pursuant to the directives of the Central Government under the provisions of Section 233B of the Companies Act, 1956 and subject to the approval of the Central Government, M/s B. J. D. Nanabhoy & Co., Cost Accountants, Mumbai have been appointed as Cost Auditors to conduct cost audit relating to the products manufactured by your Company.

Particulars of Employees

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

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

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

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

The particulars as prescribed under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are attached as Annexure 'A' to this report.

Acknowledgements

On the occasion of completing 25 years, your Directors wish to place on record their deep sense of appreciation for all the stake holders of your company who have been continuously supporting the growth of your Company. In particular, the Directors value the dedication and commitment of your Company's employees and thank the Central and State Governments, Financial Institutions, Banks, Government authorities, customers, vendors and shareholders for their continued cooperation and support.

For and on behalf of the Board

Place: Mumbai
Date: 29 July 2011

Dilip B. Jiwrajka
Managing Director

ANNEXTURE “A” TO THE DIRECTORS REPORT

Information as required under section Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors’ Report for the year ended 31st March 2011

Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988

(A) CONSERVATION OF ENERGY

(a) Energy conservation measures taken:

The company is engaged in the continuous process of energy conservation through improved operational and maintenance practices. Accordingly and in line with the company’s commitment to conservation of natural resources, all units continued with their endeavor to make more efficient use of energy.

Some of the measures undertaken in this direction during the year under review were as under:

- Replacement of existing small capacity cooling tower pumps with energy efficient pumps.
- Power saving in soft water supply by pumping system modification (replacing submersible pump by self priming).
- Energy saving by increasing the life of air filter by installing pre-filter and improving the cleaning process.
- Power saving in compressed air system through better and more effective utilization.
- Optimization of fuel viscosity and other related parameters of DG Set.
- Optimal use of cooling tower fan as per climate conditions.
- Optimization of use of engine hall ventilation fans as per climate conditions.
- Installation of Air preheaters at Thermopac boilers.
- Installation of Harmonic filter with capacitors.
- Caustic handling system on process machines installed
- Reduction of maximum demand by even distribution of daily load and through increased efficiency of plants.
- Optimum choice of power factor improvement capacitors for improvement in power factor.
- Modification of pipeline of chiller plant so as to maintain temperature.
- Usage of voltage regulator in lighting circuits for reduction in lighting energy.
- Rain harvesting measures.
- Usage of optimum suction pressure OHTC Dust Collector.
- New FO Emulsion fuel firing system implemented with the Steam and Thermic Fluid boilers.
- Upgradation of Fire Hydrant system.
- Periodic energy audits

(b) Additional proposals being implemented for further conservation of energy:

- Usage of electronic blast in place of conventional choke.
- Replacement of 36W TL fittings with LED lights for longer life and reduced energy consumption.
- Expedite the process of conversion of all plants from FO to natural gas to promote greener fuel use.
- Replacement of oil fired boiler with coal fired one.
- Flash steam and condensate recovery in CPP.
- Optimization of soft water supply pressure to minimize wastage of water.
- Heat recovery from hot exhaust air of Stenter and CRP hot water.
- Installation of EMS Energy Monitoring System for greater accuracy of energy consumption reports.

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

The energy conservation measures have resulted in energy saving and consequent reduction in cost of production. Besides, these measures have also resulted in elimination / reduction of furnace oil by substitution of natural gas, and consequent reduction in emissions. Also, the mechanical, thermal and electrical efficiency of the plants stand improved.

ANNEXTURE “A” TO THE DIRECTORS REPORT

FORM “A”

	2010-11	2009-10
A. Power & Fuel Consumption For The Year Ended 31.03.2011		
1) Electricity Purchased		
Units:	445,002,536.00	346,317,651.97
Total amount (₹ crore)	143.47	131.17
Average Rate/Unit (₹)	3.22	3.79
2) Own Generation through Diesel Generator Set		
Units:	163,060,781.40	181,036,388.77
Total amount (₹ crore)	92.92	87.82
Average Rate/Unit (₹)	5.70	4.85
3) Own Generation through Co-generation		
Units	17,779,900.00	20,612,300.00
Total amount (₹ crore)	6.43	5.88
Average Rate/Unit (₹)	3.62	2.85
4) Own Generation through Gas Turbine		
Units	45,049,016.00	35,361,583.00
Total amount (₹ crore)	20.86	10.67
Average Rate/Unit (₹)	4.63	3.02
5) a) Furnace Oil Consumed – for boiler		
Total amount (₹ crore)	–	–
b) Furnace Oil Consumed – for steam		
Total amount (₹ crore)	46.90	25.59
c) Natural Gas Consumed		
Total amount (₹ crore)	70.42	51.31
d) Coal consumed		
Total amount (₹ crore)	5.79	2.70
e) Deisel Consumed		
Total amount (₹ crore)	2.51	2.01
f) Electricity Duty Paid		
Total amount (₹ crore)	2.79	2.13
B) Consumption per unit of production		
a) Yarn (Kgs)	122,171,960.36	106,958,798.00
Units Consumed (per kgs)	1.01	1.10
b) Fabric Knits (Kgs)*	10,368,052.00	7,960,980.00
Units Consumed (per kgs)	0.45	0.49
c) Fabric Woven (Mtrs)*	198,440,335.00	231,792,879.00
Units Consumed (per mtrs)	0.67	0.48
d) Processing Woven (Mtrs)*	329,849,609.00	121,567,652.00
Units Consumed (per mtrs)	0.58	0.33
e) Processing Knits (Kgs)*	7,837,064.00	5,542,259.00
Units Consumed (per kgs)	4.54	4.28
f) Garments (Pcs)	5,101,577.00	3,938,429.00
Units Consumed (per pcs)	0.10	0.08
g) SL Madeups (Kgs)	8,512,885.50	7,736,043.00
Units Consumed (per kgs)	0.45	0.44
h) Poy (Kgs)	39,086,832.31	28,978,059.00
Units Consumed (per kgs)	1.73	2.21
i) Spinning (Kgs)*	54,391,442.00	41,230,507.00
Units Consumed (per kgs)	4.12	4.53
j) Handkerchief (Pcs)	9,948,690.00	6,587,418.00
Units Consumed (per pcs)	0.05	0.04
k) Chips (Kgs)	24,688,623.14	41,958,053.00
Units Consumed (per kgs)	0.78	0.66
l) FDY (Kgs)	15,484,717.23	–
Units Consumed (per kgs)	1.09	–
* Includes production consumed internally.		

FORM “B”

	2010-11	2009-10
C. Foreign Exchange Earnings and Outgo		
i) Total Earnings of Foreign Exchange		
FOB Value of Exports	2,032.34	1,437.06
Interest received on Fixed Deposits	0.06	7.45
	2032.40	1445.51
ii) Total Outgoing in Foreign Exchange		
Commission on sales	9.96	6.53
Payment to and Provisions for Employees	0.28	0.83
Freight, Coolie and Cartage	1.40	0.83
Insurance	—	7.28
Interest on Fixed Loan	33.26	35.35
Legal and Professional Fees	1.74	11.33
Miscellaneous Expenses	2.27	1.48
Reimbursement of Expenses	11.19	6.13
Sales Promotion Expenses	7.90	12.15
Claim for damaged goods	2.96	3.10
Travelling expenses	0.11	0.39
Bank Charges	4.68	3.07
Power and Fuel	0.01	—
Processing Charges	0.02	—
Rates and Taxes	1.06	0.23
Rent	0.06	—
Repairs and Maintenance – Plant & Machinery	1.99	0.92
Repairs and Maintenance – Others	0.07	—
Exchange Rate Difference	94.37	—
Total	173.33	89.62

■ Alok became a Public Limited Company in February 1993 and came out with its Initial Public Offer in September 1993 with an offer of 22,50,000 equity shares of ₹10/- each for cash at a premium of ₹ 10/- per share aggregating to ₹ 4.50 crore.

■ Alok was amongst the first Indian textile company to receive FDI investment in 1998 by way of private placement of 91,42,700/- equity shares of ₹ 10/- each at a premium of ₹ 7.50 per share aggregating to ₹16 crore with Century Direct Fund (Mauritius) LLC and TCFC Finance Limited.

■ Alok was amongst the first textile corporate in the country to receive mezzanine finance in March 2004. The total transaction value was ₹ 101.21 crore comprising of ₹ 68 crores - 10% Redeemable Preference Shares (6,80,00,000 preference share @ ₹ 10 each) and 33.21 crores warrants (59,66,400 warrants @ ₹ 55.67) from the CLSA Group. The warrants were converted into equity in 2005 while the 10% preference shares were also converted into equity in 2006 (1,11,47,540 shares @ ₹ 61).

■ Alok has about 2,05,000 shareholders as on 31st March 2011. It is one of the most liquid and widely traded share on BSE and NSE.

■ The quotas regime in Global Textile Trade was dismantled in December 2004. Global Textile trade is expected to grow @ CAGR of 5% to USD 1000 billion by 2020 from its present size of about USD 600 billion. The total Indian Textile trade during the same period is likely to increase at a CAGR of 11% to reach 220 billion (domestic USD 140 billion & Exports USD 80 billion) from its present size of about USD 78 billion (domestic USD 52 billion & Exports USD 26 billion). (Source : Technopack)

did you know?



■ In 2001, Alok was amongst the first to invest under the Government of India's Technology Upgradation Fund Scheme (TUFS) where 5% interest subsidy is available on eligible loans. Since the abolition of textile quotas in global trade in January 2005, Alok has invested over Rs. 9000 cores (about USD 2 billion) in 7 years, perhaps the largest capex in the Indian Textile industry.

It is the largest beneficiary of TUFS loans in the country with Rs. 2592 crores TUFs loans outstanding as at 31 March 2011.

■ From an initial capacity of 50,000 spindles in 2007, Alok has today created India's largest spinning capacity at one location (Silvassa) with 4,11,840 spindles and 5680 rotors to produce about 80,000 tons of cotton yarn per annum. Almost, 95% of this yarn is consumed in house for fabric production, making it the strongest vertical integration for textiles in India.

■ Alok initially set up a weaving unit at Bhiwandi back in 1991 with about 100 shuttle looms. Today it has about 2200 shuttle less looms comprising of Rapier, Air jet and jacquard looms in one complex at Silvassa. This is possibly the highest number of looms at one location in the country. Also, at this location, about 1000 looms are installed in one weaving unit, making it probably the largest weaving unit in the world.

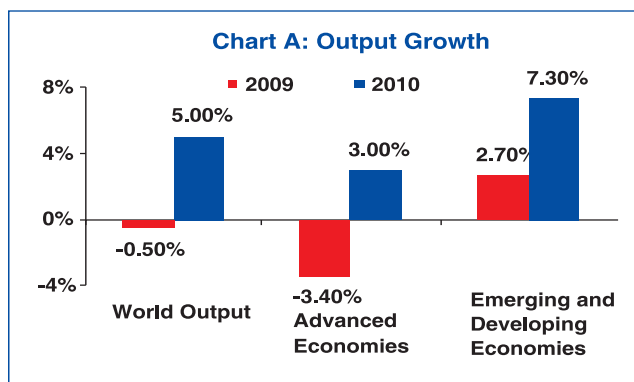
■ In an unfortunate incident on August 16, 2007, Alok's Texturising unit at Silvassa with 70 texturising machines was totally gutted in a fire. Alok rebuilt a new texturising plant at the same location with 35 new texturising machines in about 90 days and restarted production on 24th November 2007. This record performance was made possible with the commissioning of nearly 2000 people through separate contractors simultaneously and ample support from our business associates. From the current 92, by the end of March 2012, Alok will have a total of 140 texturising machines, producing 1,70,000 tons of texturised yarn per annum, making it the largest capacity in the Industry.

Economic Overview

World

Economic activity in most developing countries is back on a high growth momentum. Supported by resurgence in international and domestic financial flows and higher commodity prices, most of the spare capacity in developing countries that was created by the crisis has been reabsorbed, and developing countries have regained trend growth rates close to those observed in the pre-crisis period. Chart A shows that economic output growth in emerging developing economies improved from 2.7% in calendar year (CY) 2009 to 7.3% in CY2010.

In contrast, the recovery in many high income countries (and several economies in developing Europe and Central Asia) has not been strong enough to make major inroads into high unemployment and spare capacity. Prospects in these economies, many of which were at the centre of the financial boom and bust, continue to be weighed down by banking sector restructuring, high consumer debt and a right-sizing of economic sectors that grew unsustainably large during the boom period. Having said so, driven primarily by resurgence in the world's largest economy – USA – advanced economies recovered from a 3.4% drop in economic output in CY2009 to a 3% growth in CY2010. Consequently, global economic output increased by 5% in CY2010 against a drop of – 0.5% in CY2009.



Source: International Monetary Fund (IMF)

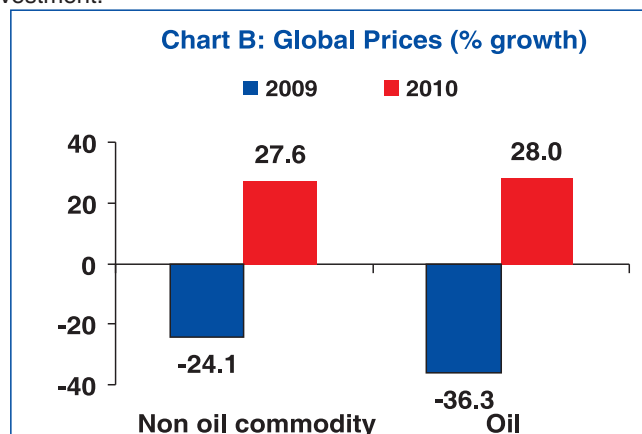
The robust recovery in developing countries is even more remarkable because it mainly reflects an expansion of their internal markets. Developing countries are not just leading the recovery. Increasingly they are an important source of stability, with many of the risks to global growth centred in high-income countries and reflecting as yet unresolved imbalances generated by the boom period. Very low policy-induced interest rates in high – income countries plus better growth prospects in developing countries prompted a strong recovery in capital flows, mainly to middle-income countries. Overall net private capital flows to developing countries expanded 44% in CY2010, but remain well below record 2007 levels. For most countries, the increase in flows was beneficial, helping to finance growth enhancing investment.

Strong growth of domestic demand in developing countries will continue to lead the world economy. Developing countries domestic demand is playing a major role in the recovery, representing 46% of global growth in 2010.

While, overall, indicators are positive, there are some concerns with the global economy as well, which in the short-run could de-rail the recovery to differing degrees. The market concerns over debt sustainability in Europe continue to escalate. Continued very low interest rates in high income countries once again prompt large and volatile flows of capital toward developing countries that contribute to destabilizing movements in exchange rates, commodity prices, and asset-prices.

Commodities prices, especially of food and oil have increased sharply in some poor countries; and if international prices continue to rise, affordability issues and poverty impacts could intensify.

Chart B shows that on average both non-oil commodity and oil prices increased by over 27% in CY2010, while they have declined in CY2009.



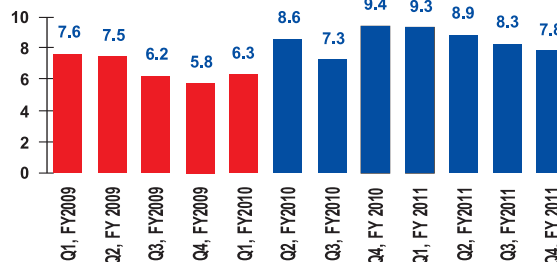
Source: World Bank Estimates

India

The Indian economy continued to grow appreciably – recording 8.5% growth in 2010-11 on the back of 8% growth in 2009-10. Chart C shows the quarterly growth since Q1 2008-09. It is apparent that there has been steady growth at well over 8% since Q4, 2009-10. And, this trend had continued through the first 3 quarters of 2010-11. However, there has been a slight slowdown in the fourth quarter.

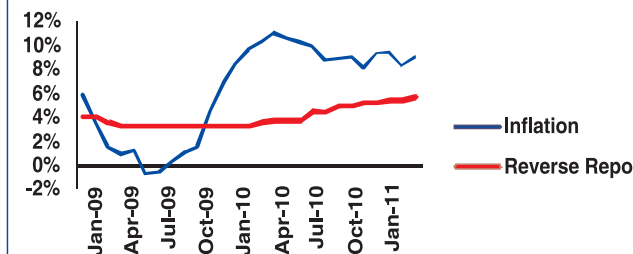
The slowdown is a reflection of certain uncertainties prevailing in the Indian economy. First, there is high rate of inflation. Much of this inflation is driven by high prices of food, which being an essential commodity has curbed general consumption spending in the country. In the process, demand has reduced affecting economic growth.

Chart C: Quarterly Real GDP growth (%)



Source: Central Statistical Organisation, Government of India

Chart D: Inflation (WPI based) & Reverse Repo Rate



Source: Office of Economic Advisor, Govt of India

Second, there is a concern with rising rates of interest. In order to curb inflation rates from spiralling upward, the Reserve Bank of India (RBI) has tightened monetary policies. The resultant reduction in money supply has caused an increase in interest rates. On the consumer front, such interest rate increase affect automobile and housing purchases, as most of it is done through credit. These are two important customer segments for AIS. Such high rates of inflation have a negative impact on investments. And, a slowdown in investments at the macro-level may lead to lower economic growth in the future. Chart D shows that WPI based inflation has remained at levels over 8% for most of the period since March 2010. And, in line with this increase the benchmark reverse repo rate has increased steadily over the period.

Textiles, Clothing and Fibre Industry

Global Developments

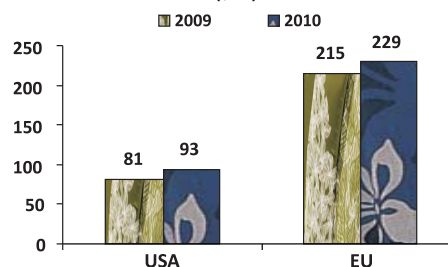
World consumption of textile fibres increased in the past two years and hit record levels in CY2010. A shortfall of cotton saw a sharp jump in cotton prices in 2010. After a 7% decline in 2008 in the aftermath of the global economic crisis, world fibre consumption increased by 4% in CY 009 and by 5% in CY2010, according to data from the European Manmade Fibre Association (CIRFS), the International Wool Textile Organisation (IWTO) and the International Cotton Advisory Committee (ICAC). Estimates suggest that world fibre consumption was 75,100 million kilograms (mkg) in 2010, which is 2,000 mkg above the pre-crisis levels of CY2007.

While in CY2009, growth was mainly driven by a 9% increase in consumption of cotton, in 2010, cotton consumption rose by only 3% as it was replaced by polyester staples when cotton prices surged upwards rapidly. In fact, in CY2010, growth was driven by synthetic fibres – synthetic staple fibre consumption increased by 6% to 16,600 mkg, while synthetic filament fibre consumption increased by 8% to 28,200 mkg.

The two leading importers of apparel and textiles – USA and EU – witnessed growth in imports. Chart E shows that the imports of textile and apparel products to the US increased from US\$ 81 bn in 2009 to US\$ 93 bn in 2010 – growth of 15%, while in the EU imports increased by 6.6% from US\$ 215 bn in 2009 to US\$ 229 bn in 2010.

On the supply and production front, there were different trends for various textile fibres in CY2010. Different production decisions were responses to the cotton price upsurge and the inevitable substitution of cotton by cheaper polyester staples. Cotton prices were expected to increase in 2010-11. According to the International Cotton Advisory

Chart E: Apparel and Textile Imports (\$bn)



Source: OTEXA, EUROSTAT

MANAGEMENT DISCUSSION AND ANALYSIS

Committee (ICAC), world cotton production had declined by 7% in 2009-10 with drop in production in China and the US – two of the world's three largest cotton producing countries. The global polyester industry, on the other hand, has over capacity with significant investments in

China in the recent past. However, the sharp rise in cotton prices seen in 2010 resulted in garment manufacturers substituting cotton with polyester in their fabrics, in particular in shirt fabrics. As a result, the increased polyester production was absorbed by this higher demand. In contrast to the increased production of polyester, world acrylic fibre production was held back in CY2010 by a shortage of acrylonitrile (the raw material). This restricted production of acrylic fibre in spite of very strong demand.

The demand supply situation is well reflected in the price trends. The 'CotLook A' index, which is the world cotton price indicator, increased by 120% in 2010, hitting a record 175.7 US cents/pound (387 USc/kg) in mid – December 2010. Acrylic fibre prices lifted in response to the higher demand but tight supplies. Polyester prices also rose, but the extent was limited by increased production and excess production capacity.

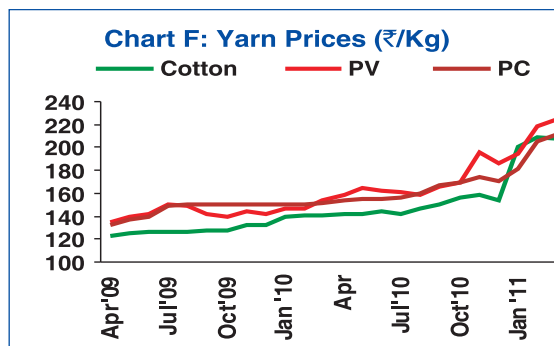
Clearly, with the global economic recovery, demand improved for garments and textiles. However, supply side constraints are the lower end of the value chain in key fibre inputs like cotton and acrylic resulted in severe margin pressures for industry players in the higher end of the value chain who produce fabric and garments.

India

The Indian textiles and apparel market, both domestic and exports, continues to grow. In 2010, the total Indian textiles and apparel market was estimated to be around ₹ 3,68,000 crore (US\$ 78 bn) and is estimated to grow at a CAGR of 11% to reach ₹ 10,32,000 crore (US\$ 220 bn) by 2020. Within this industry the domestic apparel industry is growing by 10%, while home textiles demand is growing by around 12%.

Cotton yarn, which accounts for 74% of total yarn production, grew by 12%, while blended yarn grew by 11% and non cotton yarn by 9% in 2010-11. In terms of fabric, cotton based cloth, which accounts for 51% of total fabric production grew by 7%, blended cloth by 5%, while non-cotton cloth reduced by 3% in the first 10 months of 2010-11.

Apart from catering to growing domestic demand, exports started picking up since August 2010 after a slight blip in the first quarter of 2010-11. Over 60% of the country's exports are to USA and the EU. India's exports of Textiles and Apparel products, specifically to US has increased by 19% to ₹ 22,054 crore (around US\$ 4,967 mn) for 11 months ending Feb'11, compared to Jan-Feb '10. India's share in the total US trade is stable at 6%. The Indian exports of textiles and apparel category to EU has also shown a positive growth. The exports have grown by 17% for the ten months ending Jan 2011 as compared to same period last year. In fact, encouraged by the impressive growth, the Government of India has increased the target for India's textiles and apparel exports to around US\$ 30 bn for 2011-12 against around US\$25 bn achieved in 2010-11.



Source: Ministry of Textiles, Govt

Through 2010-11, and especially from January 2011 there was strengthening of fibre and yarn prices. Due to high demand and supply side constraints, there is a continuous rise in raw material prices. The average prices of cotton yarn rose by 45 % YoY in Mar '11 to reach 207/Kg while PV yarn and PC yarn has shown 35% increase each for the same period and stands at 233/kg and 221/kg respectively. Chart F plots the data. Since then, however, there has been a downward movement in prices in Q1, 2010-11 to more sustainable levels..

The Government of India (GoI) continues to take several steps to promote the industry. Some of these include:

- **Scheme for Integrated Textile Parks (SITP):** 40 Textile Park projects have been sanctioned by the Textile Ministry till date in various states. These Parks are planned to have facilities for spinning, sizing, texturing, weaving, processing, apparels etc. and are expected to employ approximately 7.5 lakh persons. Till date four projects have been completed and production started in 24 out of 40. So far government assistance of ₹ 882.60 crore has been provided for execution of these projects. The promoters of these textiles park projects have brought in ₹ 1000 crore (approx.) as their contribution.
- **Technology Up-gradation Fund Scheme (TUFS):** Since its inception, ₹ 11,196 crore of subsidy has been released. The Union Budget for 2011-12 has provided an allocation of ₹ 2,980 crore for the scheme. Government has also enhanced subsidy allocation for modernisation of the textiles industry to ₹ 15,404 crore from earlier sanction of ₹ 8,000 crore for

MANAGEMENT DISCUSSION AND ANALYSIS

the current Plan ending 2012. Of the additional ₹ 7,404 crore, ₹ 1972 crore would be available for fresh sanctions while the remaining ₹ 5,432 crore is meant for fulfilling the committed liabilities under the TUF scheme. Some key points of the new scheme, which focuses on balanced development and forward integration, are:

- 5% interest re-imbursements plus 10% capital subsidy for spinning units with matching capacity in weaving/knitting/processing/garmenting
 - Reducing repayment period to 7 years with 2 years moratorium to promote financial efficiency
 - 5% interest re-imbursements plus 10% capital subsidy for establishment of new shuttle less looms
 - Interest subsidy/capital subsidy/margin money subsidy on the basic value of the machineries excluding the tax component for the purpose of valuation
- **Cotton Yarn Exports – Approval:** Ceding to the demands of the Cotton Yarn exporters, the Directorate General of Foreign Trade (DGFT) under the Ministry of Commerce announced approval of cotton yarn exports from April 1, 2011 subject to registration of export contracts with DGFT.

Financial Performance

Alok Industries ('Alok' or 'the Company') is a diversified business group with core interests in the textiles and apparel business. The primary business is its integrated textile operations, which is based in India. The stand-alone financial results reflect the performance of this business. This is the largest and the central business of the Company.

Alok has made several investments to diversify and grow related businesses. It has extended its textiles business to overseas operations by acquiring Mileta, a Czech Republic based integrated textiles player. There are investments in the retail business in India and in the United Kingdom (UK). In India, through its subsidiaries, the Company is actively developing its retail format – 'H&A' stores, while in UK it operates the 'Store Twenty One' outlets through its associate Grabal Alok Impex Limited. In addition, the Company has also made investments in the real estate business.

Stand alone Financials

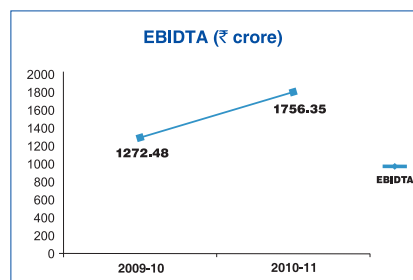
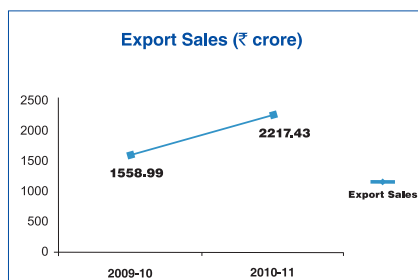
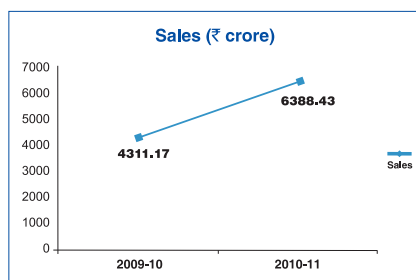
Table 1 gives the summarised profit and loss statement of the Company

Particulars	YTD 31 MAR 2011		YTD 31 MAR 2010		% Change
	₹ Crore	% to Sales	₹ Crore	% to Sales	
Domestic Sales	4,171.00		2,752.18		51.58%
Export Sales	2,217.43		1,558.99		42.24%
Net Sales	6,388.43		4,311.17		48.18%
Other Income	6.44		64.02		(89.90%)
TOTAL INCOME	6,394.87		4,375.19		46.16%
Material Costs	3,344.11	52.35%	2,004.99	46.51%	66.79%
People Costs	199.76	3.13%	153.73	3.57%	29.94%
Other Expenses	1,094.65	17.13%	943.99	21.90%	15.96%
EBIDTA	1,756.35	27.49%	1,272.48	29.52%	38.03%
Depreciation	518.79	8.12%	362.61	8.41%	43.07%
PBIT	1,237.56	19.37%	909.87	21.10%	36.02%
Interest & Finance Costs	654.37	10.24%	535.08	12.41%	22.29%
PBT	583.19	9.13%	374.79	8.69%	55.60%
Less: Provision for Taxes		2.79%		2.96%	40.31%
Current Tax	(120.57)		(63.56)		
Deferred Tax	(100.68)		(99.01)		
Fringe Benefit Tax	0.00		0.00		
MAT Credit Entitlement	42.25		34.26		
Prior Period Adjustment of Tax	0.17		0.86		
PAT	404.36	6.33%	247.34	5.74%	63.48%

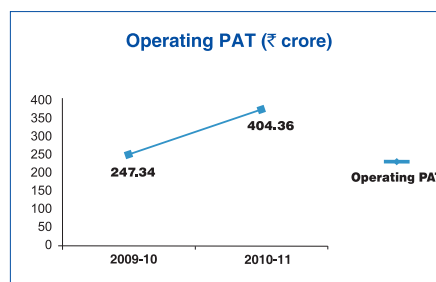
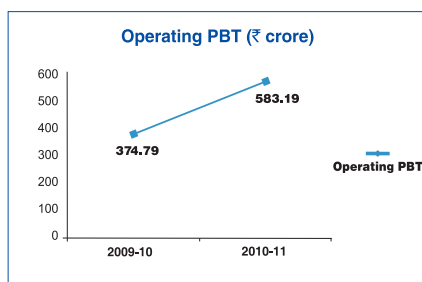
MANAGEMENT DISCUSSION AND ANALYSIS

Profit and Loss Analysis

- Net Sales increased by 48.18% from ₹ 4,311.17 crore in 2009-10 to ₹ 6,388.43 crore in 2010-11. Growth was driven by a 51.55% increase in domestic sales – ₹ 4,171.00 crore in 2010-11 against ₹ 2,752.18 crore in 2009-10; and exports increased from ₹ 1,558.99 crore in 2009-10 to ₹ 2,217.43 crore in 2010-11 – growth of 42.24%.
- Other Income reduced by 89.90% to ₹ 6.44 crore. Much of the other income booked in 2009-10 was on account of gains from foreign exchange fluctuations. This was not there in 2010-11
- Material Cost was ₹ 3,344.11 crore in 2010-11. This is a 66.79% growth over ₹ 2,004.99 crore in 2009-10. As a percentage of sales, material cost increased from 46.51% in 2009-10 to 52.35% in 2010-11. There was steep rise in market prices. While all efforts were undertaken on the purchase front, only a portion of this input cost increase could be controlled and the Company had to operate with higher raw material costs
- People Cost was well managed. In absolute terms it increased from ₹ 153.73 crore in 2009-10 to ₹ 199.76 crore in 2010-11 – a growth of 29.94%. People cost to net sales ratio decreased from 3.57% in 2009-10 to 3.13% in 2010-11
- Other Expenses increased by 15.96% from ₹ 943.99 crore in 2009-10 to ₹ 1,094.65 crore in 2010-11. As a percentage of net sales, it decreased from 21.9% in 2009-10 to 17.13% in 2010-11. As percentage to sales, there have been no major variations, except for power and fuel, which has decreased from 6.14% of sales in 2009-10 to 6.11% of sales in 2010-11. Other factory overheads have moved in line with sales volume. Administrative and selling expenses were largely controlled. In aggregate, these expenses grew by only 5% in 2010-11, and relative to sales it decreased from 7.16% of sales for 2009-10 to 5.09% of sales for 2010-11
- Earnings Before Interest, Depreciation, Tax and Amortisation (EBIDTA) increased by 38.03% to ₹ 1756.35 crore in 2010-11 against ₹ 1,272.48 crore in 2009-10. Given the high material costs, EBIDTA margins reduced from 29.52% in 2009-10 to 27.49% in 2010-11.



- Depreciation expense increased from ₹ 362.61 crore in 2009-10 to ₹ 518.79 crore in 2010-11. Gross Fixed Assets (GFA), excluding Capital Work in Progress (WIP) increased by 23.89% from ₹ 7,276.36 crore as on 31 March 2010 to ₹ 9,014.33 crore as on 31 March 2011. After including Capital WIP, GFA increased by 22.64% to ₹ 10,075.53 crore as on 31 March 2011 against ₹ 8215.60 crore as on 31 March 2010. In line with sales growth, the Company maintained its fixed asset utilisation and total depreciation expenses increased by 43.07%
- Interest expense Increased by 22.29% from ₹ 535.08 crore in 2009-10 to ₹ 654.37 crore in 2010-11. Total Borrowings increased from ₹ 8,509.68 crore as on 31 March 2010 to ₹ 9653.57 crore as on 31 March 2011 – a growth of 16.9%. As a percentage to sales, interest and financing expenses have dropped to 10.24% of sales for 2010-11; compared to 12.41% of sales for 2009-10
- Profit Before Tax (PBT) increased by 55.60% from ₹ 374.79 crore in 2009-10 to ₹ 583.19 crore in 2010-11
- Profit After Tax (PAT) was ₹ 404.36 crore; a growth of 63.48% over ₹ 247.34 crore PAT generated in 2009-10



MANAGEMENT DISCUSSION AND ANALYSIS

Key Ratios

Table 2 gives the key financial ratios for Alok Industries, as a stand-alone entity

Particulars	2010-11	2009-10
Profitability Ratios		
EBITDA (%)	27.49%	29.52%
Profit Before Tax Margin (%)	9.13%	8.69%
Profit After Tax Margin (%)	6.33%	5.74%
Return on Net worth (%)	11.22%	7.92%
Return on Capital Employed (%)	11.53%	9.52%
Balance Sheet Ratios		
Net Long Term Debt to Equity including Deferred Tax Liability	1.66	1.62
Net Total Debt to Equity including Deferred Tax Liability	2.36	2.28
Net Total Debt / EBITDA	4.85	5.59
Current Ratio	1.59	1.83
Liquid Ratio	1.02	1.27
Coverage Ratios		
PBDIT/Interest	2.68	2.38
Debt Service Coverage Ratio	1.77	1.79
Net Fixed Assets/Secured Loans (1st Charge holders)	2.64	2.28
Working Capital Turnover Ratio	0.33	0.51
Debtors Turnover – Days	99	93
Inventory Turnover – Days	114	125

- EBITDA Margin has dropped from 29.52% in 2009-10 to 27.49% in 2010-11. This is primarily due to the adverse effect of high raw material prices. Alok Industries continued to focus on managing people and other operating costs to offset the high cost of raw materials. Both these costs reduced as a ratio to sales during 2010-11.
- PBT Margin was 9.13% in 2010-11, marginally better than the 8.69% generated in 2009-10. Reduction in interest and finance costs as a ratio to sales contributed significantly to this improvement. PAT margin was 6.33% in 2010-11 compared to 5.74% in 2009-10.
- Return on Net worth (RONW) improved from 7.92% in 2009-10 to 11.22% in 2010-11. This was driven by the growth in profits.
- Return on Capital Employed (ROCE) was 11.53% in 2010-11, up from 9.52% generated in 2009-10.
- Debt to Equity for long term loans was maintained at 1.66 in 2010-11 compared to 1.62 in 2009-10. Total debt to equity ratio was 2.36 in 2010-11 against 2.28 in 2009-10.
- PBDIT/Interest or the interest coverage ratio that indicates the Company's ability to service its debt costs through profits improved from 2.38 in 2009-10 to 2.6 in 2010-11, while net fixed assets as a ratio to secured loans increased from 2.28 in 2009-10 to 2.64 in 2010-11. This shows that there is better cover for secured loans.
- Inventory turnover decreased from 125 days in 2009-10 to 114 days in 2010-11. However, Debtor turnover increased from 93 days in 2009-10 to 99 days in 2010-11. Over all, the total requirement for working capital on account of debtors and inventory decreased from 218 days in 2009-10 to 216 days in 2010-11.

MANAGEMENT DISCUSSION AND ANALYSIS

Cash Flows

Table 3 gives the abridged cash flow statement of the Company

(₹ Crore)

Particulars	2010-11	2009-10
Net Cash Provided/Used by		
operating activities	1,135.46	184.56
investing activities	(2058.13)	(1906.48)
financing activities	369.39	2,117.75
Net Cash Surplus	(563.75)	395.83
Cash and Cash Equivalents		
at the beginning of the year	673.40	277.57
at end of the year	109.65	673.40
Add: Margin money & other fixed deposits pledged	978.32	559.69
Deposits with maturity period of more than three months	53.24	157.20
Cash and Bank Balance in balance sheet	1,141.21	1,390.29

Net cash flow from operating activities increased by 515.23% from ₹ 184.56 crore in 2009-10 to ₹ 1,135.46 crore in 2010-11. On the other hand, cash generated from financing activities declined significantly to ₹ 369.39 crore in 2010-11 against ₹ 2,117.75 crore in 2009-10. Cash utilised for investing activities reduced from ₹ 1,906.48 crore in 2009-10 to ₹ 2,058.13 crore in 2010-11. And, net cash surplus generated reduced from ₹ 395.83 crore in 2009-10 to ₹ (563.75) crore in 2010-11. Clearly, the focus in 2010-11 has been more on improving operating cash flows than on investments and financing.

The Company had issued and allotted US\$ 45,000,000 – B – 1% – Unsecured Foreign Currency Convertible Bonds (FCCBs) of the face value of US\$50000 each in May 2005. The outstanding FCCBs out of the aforesaid issue aggregating to US\$ 23.75 million have been redeemed along with premium on 26 May 2010 as per the terms of the Offering Circular.

Ratings

The improvements in Alok Industries financial performance has been recognised and acknowledge by different ratings agencies by upgrading the rating for the Company's debt instruments.

- Alok's bank facilities have been rated by CARE, a premium Indian rating agency. Based on the Company's performance, CARE has improved Alok's rating from 'CARE A' to 'CARE A+' for its long term facilities. The CARE A+ rating implies that Alok offers 'adequate safety for timely servicing of debt obligations'.
- The Rating Committee of CARE has also re-affirmed a 'PR-1' rating for the Company's short-term facilities. Facilities with this rating "would have strong capacity for timely payment of short-term debt obligations and carry lowest credit risk".
- The Rating Committee of CARE has also re-affirmed a 'PR-1+' rating for the Company's Commercial Paper / Short Term NCDs aggregating to ₹ 1,000 crore. Facilities with this rating 'would have strong capacity for timely payment of short-term debt obligations and carry lowest credit risk'.
- Dun and Bradstreet (D &B) has also assigned 5A3 rating for the Company.

Investments

As on 31 March 2011, the company had investments of ₹ 167.18 crore as compared to ₹ 229.69 crore as on 31 March 2010.

Table 4: Summarized Statement of Investments by Alok Industries Ltd. as on 31 March 2011

(₹ crore)

Sr. No.	PARTICULARS	EQUITY	SHARE APPLICATION	TOTAL		% HOLDING
				AS ON 31 MAR		
				2011	2010	2011
A	Subsidiaries					
	Alok Industries International Ltd.	0.22	-	0.22	79.37	100%
	Alok Infrastructure Ltd.	0.05	-	0.05	0.05	100%
	Alok Land Holdings Pvt. Ltd.	0.50	-	0.50	0.50	100%
	Alok Inc.	0.04	-	0.04	0.04	100%
	Alok International Inc.	0.00	-	0.00	0.00	100%
	Alok H & A Limited	36.05	-	36.05	36.05	100%
	Alok Retail (India) Ltd.	0.05	-	0.05	0.05	100%
	Alok Apparel Private Ltd.	1.00	9.00	10.00	10.00	100%
	Sub Total	37.91	9.00	46.91	126.06	
B	Associates					
	Grabal Alok Impex Ltd.	3.99	-	3.99	3.99	8.70%
	Aurangabad Textiles & Apparel Park Ltd.	17.25	-	17.25	15.50	49.00%
	New City Of Bombay Mfg. Mills Ltd.	71.50	-	71.50	71.50	49.00%
	Sub Total	92.74	-	92.74	90.99	
C	Other Investments At Cost					
	In Equity Shares			0.28	0.73	
	In Bonds, Debentures Etc			2.00	2.00	
	In Mutual Funds			25.25	9.91	
	Sub Total			27.53	12.64	
	Total			167.18	229.69	

India Textiles Business: Operations Review

Alok Industries is an integrated player in the textiles and apparel industry with presence across the value chain. At the starting end of the chain it produces cotton and polyester yarn. Both of which, are primarily to service internal requirements of yarn but some of the produce is sold in the market. The Company produces fabric both through weaving and knitting and lays great emphasis on specialised products in this space. It is also into manufacturing of home textiles including terry towels. At the front end of the chain, there is a relatively small garmenting operation. The garmenting business is supplemented by the Indian subsidiary Alok Apparels Private Limited.

Table 5 gives the relative share of the different divisions in the Company's total sales. With 43% share, woven fabrics have the largest share of revenues, followed by polyester yarn with 26%; home textiles with 15%; cotton yarn with 9%; knitted fabric with 4% and garments with 3%.

Table 5: Alok's Divisional Sales Snapshot

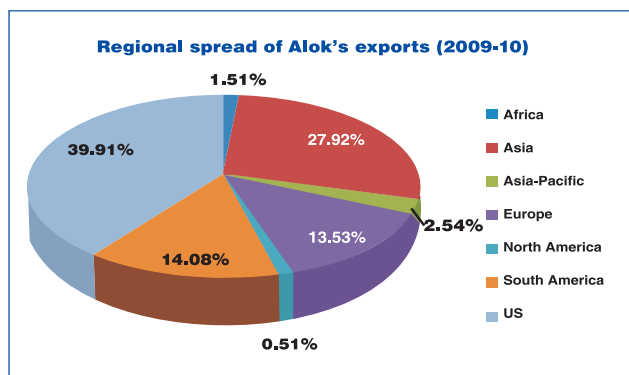
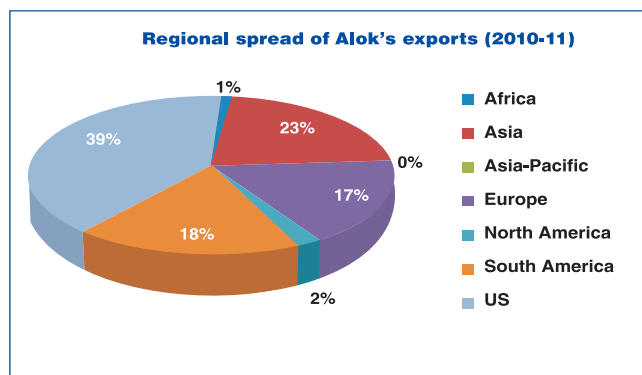
Particulars	Twelve Months ended 31 March, 2011				Twelve Months ended 31 March, 2010				Change
	Local	Export	Total	% to Total Sales	Local	Export	Total	% to Total Sales	
Cotton & Cotton Yarn	416.40	136.50	552.90	8.65%	101.79	225.31	327.10	7.59%	69.03%
Apparel Fabric									
Woven	2,458.85	272.77	2,731.62	42.76%	1,634.72	165.75	1,800.47	41.76%	51.72%
Knitting	116.77	124.79	241.56	3.78%	48.36	93.90	142.26	3.30%	69.80%
Total Apparel Fabric	2,575.62	397.56	2,973.18	46.54%	1,683.08	259.65	1,942.73	45.06%	53.04%
Home Textile	54.08	946.03	1,000.11	15.66%	17.13	690.13	707.26	16.41%	41.41%
Garments	11.07	162.99	174.06	2.72%	9.86	131.14	141.00	3.27%	23.45%
Polyester Yarn	1,113.83	574.35	1,688.18	26.43%	940.32	252.76	1,193.08	27.67%	41.50%
Total	4,171.00	2,217.43	6,388.43	100.00%	2,752.18	1,558.99	4,311.17	100.00%	48.18%

While domestic sales grew by 51.55% from ₹ 2,752.18 crore in 2009-10 to ₹ 4,171.00 crore in 2010-11, exports continued to grow impressively, especially in the second half of 2010-11. The export growth was 42.24% from ₹ 1,558.99 crore in 2009-10 to ₹ 2,217.43 crore in 2010-11.

MANAGEMENT DISCUSSION AND ANALYSIS

The share of Alok's exports to different regions is given in chart G. The largest value of exports is to USA with a share of 39% of total exports. Asia has the second largest share of 23%. South America has gained considerable share and is the third largest export destination for Alok with a share of 18%. Europe is next with 17%, while non-US North America and Africa have small shares of 2% and 1% respectively.

Chart G



Cotton Yarn



Alok's requirement of cotton yarn increased considerably with the expansion of weaving and knitting capacities and made strategic sense to have some portion of its total yarn requirement produced in-house. This also mitigates the risk of total dependence on the market where availability could be a constraint with a lot of high speed weaving capacities being added in the country in the quota free regime. Consequently, the size of the cotton yarn division is larger if we also account for internal consumption.

Table 6 gives the data for external sales of cotton yarn, which is sold to traders, manufacturing units and weavers. Domestic sales increased by 309.10% from ₹ 101.79 crore in 2009-10 to ₹ 416.40 crore in 2010-11, while exports reduced from ₹ 225.31 crore in 2009-10 to ₹ 136.50 crore in 2010-11 – a drop of 39.40%. There were considerable opportunities in the domestic market, which the Company effectively tapped. With demand being there from internal requirements, high domestic sales resulted in supply side constraints for exports. Consequently, exports dropped during 2010-11. Overall, total cotton yarn sales increased by 69.03% to ₹ 552.90 crore in 2010-11 against ₹ 327.10 crore in 2009-10.

Table 6: External Cotton Yarn Sales

(₹ crore)

Particulars	Twelve Months ended 31 March 2011				Twelve Months ended 31 March 2010				% Change
	Local	Export	Total	% to Sales	Local	Export	Total	% to Sales	
Cotton & Cotton Spinning	416.40	136.50	552.90	8.65%	101.79	225.31	327.10	7.59%	69.03%

Looking to the increased requirement, the Company is further expanding its spinning capacity by installing 68,000 spindles and 1,888 rotors taking the total production capacity to 80,000 tpa.

MANAGEMENT DISCUSSION AND ANALYSIS

Apparel Fabric



Alok produces a wide range of woven and knitted fabrics. The high quality of its products is a result of its design capabilities, product knowledge and state of the art manufacturing facilities. On the weaving front it has modern facilities that utilise the best technology available in the world. This includes Benninger warping and sizing machines from Switzerland for preparatory, projectile Sulzer make looms, wider width/ narrow width Air Jet looms of Toyota/ Picanol make, Rapier Sulzer make looms with Staubli make dobby and Rapier Sulzer make looms with Bonas make Jacquard attachment. It also outsources fabric from power looms and mills to meet its requirements. Presently, the company has 1018 nos. apparel width looms with an installed capacity of 93 mn meters and 855 nos. wider width looms with an installed capacity of 68 mn meters.

In knitting, today, the Company has 171 Mayer and Cie / Pialung circular knitting machines of various types like single jersey, double jersey, interlock, auto stripier and rib structure. The total installed capacity is 18,200 tpa. The products include single jersey, double jersey, interlock, ribs, jacquards, auto stripier and fibres used include cottons, blends of cotton with polyester or viscose, polyester, viscose and lycra blended.

Table 7 gives the data for apparel fabric sales. The details are:

- **Woven:** Domestic sales increased from 1,634.72 core in 2009-10 to ₹ 2,458.85 crore in 2010-11 – a growth of 50.41%. Exports increased by 64.57% to ₹ 272.77 crore in 2010-11 against ₹ 165.75 crore in 2009-10. Total woven fabric sales increased by 54.4% to ₹ 2,731.62 crore.
- **Knitted:** Domestic sales increased by 141.46% from ₹ 48.36 crore in 2009-10 to ₹ 116.77 crore in 2010-11. Export increased to ₹ 124.79 crore in 2010-11 against ₹ 93.90 crore in 2009-10 – an increase of 32.90%. Total knitted fabric sales increase by 59.3% to ₹ 241.56 crore in 2010-11.
- **Total Apparel Fabric:** Domestic sales increased by 53.03% to ₹ 2,575.62 crore in 2010-11, while exports increased by 53.10% to ₹ 397.56 crore in 2010-11. These sales growths contributed to a total apparel fabric sales growth of 53.04% from ₹ 1,942.73 crore in 2009-10 to ₹ 2,973.18 crore in 2010-11.

Table 7: Apparel Fabric Sales

Particulars	Twelve Months ended 31 March 2011				Twelve Months ended 31 March 2010				% Change
	Local	Export	Total	% to Sales	Local	Export	Total	% to Sales	
Apparel Fabric									
Woven	2,458.85	272.77	2,731.62	42.76%	1,634.72	165.75	1,800.47	41.76%	51.72%
Knitted	116.77	124.79	241.56	3.78%	48.36	93.90	142.26	3.30%	69.80%
Total	2,575.62	397.56	2,973.18	46.54%	1,683.08	259.65	1,942.73	45.07%	53.04%

To promote further profitable growth in this division, Alok is focusing on three segments of the apparel fabric market: (a) fashion wear; (b) yarn dyed fabrics; and (c) work-wear and technical textiles.

MANAGEMENT DISCUSSION AND ANALYSIS

In fashion wear fabrics, Alok produces a wide range in both knits and wovens. Fabric types include twills, voiles, cambrics, poplins, Lycra poplins gabardines, jacquard, satins, matte, canvases, butta dobby, lawn, yarn dyed and many more. There are several distribution channels through which the Company caters to specified target customer groups. The direct customers include Indian exporters or converters in international countries, domestic garment manufacturers, retailers and traders, and institutional sales.

Within fashion-wear, the Company is focusing on yarn dyed fabrics, which are used for fashionable shirting and high end women's wear and command premium prices in the market. Alok has a capacity to produce 5,000 TPA of dyed yarn, which is being further expanded. In the near future, the company plans to make yarn dyed fabric a major growth driver of its apparel fabric sales.

Technical textiles are speciality fabrics, such as fire retardant fabric, water repellent and soil release fabric and high visibility fabric. They require special functionality and are used in industrial, aerospace, military, marine, medical, construction, transportation and high technology applications. Due to their specialised nature, they offer higher margins than conventional textiles. The technical textiles market in India is still in infancy and fairly unorganised. It is also highly import intensive. Estimates suggest that this market will grow at a CAGR of 10% to reach ₹ 146,000 crore (US\$ 31 bn) by 2020.

In weaving, the Company under its ongoing expansion proposes to install 200 nos. Toyota make Air jet wider width looms with an installed capacity of 24 mn meters. The company is also installing 120 normal width Picanol make Airjet / Rapier looms with an installed capacity of 27 mn meters. Thus the total weaving capacity would increase to 212 mn. meters and total no. of looms to 2,183. Looking to the growing demand for the knitted fabrics, the company is further expanding its capacities by installing additional circular knitting machines taking the total capacity to 25000 tpa.

Home Textiles



Alok ventured into made-ups segment by installing wider width (3 meter width) processing house at Vapi and as a forward integration set up made-up unit of 100 stitching machines and other allied machines at Vapi. Subsequently, it setup a new factory with 400 stitching machines at Silvassa taking the capacity to 6 million sets. Alok, has created a large and prestigious customer base like Wal – Mart, Target and Kohl's, in the Home Textiles segment. Looking to the good demand the company later on expanded its weaving and processing capacity. The products include Sheet-sets, duvets, comforters, blankets, quilts, bed-in-a-bag, Curtains in prints, solids, embroidery, sateen's, flannel, Jacquards, Dobbies, yarn-dyed from 180 TCs to 1000 TCs. Within this segment in 2009-10, the Terry Towel plant was commissioned. It has 48 looms, capable of producing 6,700 TPA and an equivalent amount of terry towel processing capacity.

Home textiles are exported to overseas retailers and brands, sold in the domestic market to retailers and brands, and also distributed through the Indian retail venture 'H&A' stores and the UK based 'Store Twenty One' outlets.

Domestic sales increased by 215.70% from ₹ 17.13 crore to ₹ 54.08 crore. While this growth looks large it is on a small base. Exports grew to ₹ 946.03 crore in 2010-11 against ₹ 690.13 crore – an increase of 37.08%. Total home textiles sales increased by 41.41% to ₹ 1000.11 crore. Growth was supported by faster penetration of H&A operations and growth in terry towel sales, where production is getting stabilised. Table 8 gives the data.

MANAGEMENT DISCUSSION AND ANALYSIS

Table 8: Home Textiles Sales

Particulars	Twelve Months ended 31 March 2011				Twelve Months ended 31 March 2010				% Change
	Local	Export	Total	% to Sales	Local	Export	Total	% to Sales	
Home Textiles	54.08	946.03	1000.11	15.66%	17.13	690.13	707.26	16.41%	41.41%

In home textiles, processing capacity is being increased by 22.50 mn meters to 105 mn meters, while weaving capacity is being increased by 24 mn meters to a total capacity of 92 mn meters. And, terry towel capacity is being doubled to 13,400 tonnes.

Garments



Alok commenced its garment manufacturing operations in 2004 as a pilot project by setting up a unit of 100 stitching machines at Turbhe, Navi Mumbai with an installed capacity of 1 mn pieces per annum. The company has evolved into a nominated or preferred vendor for big global label and retailers like Mother Care, Carrefour, JC Penny and Kappa

With the removal of quotas and the sourcing of garments by the western countries shifting to low cost countries like India, garment stitching is an important value added service for the buyer. With a view to increase its production capacity, the company has added 1,547 Juki machines. The company currently has installed capacities of 22 mn pieces with 1,647 Juki machines in Silvassa.

While garment sales, especially for exports, show encouraging growth potential, there is fierce cost competition. Alok is therefore also looking at increasing capacities through outsourcing, either directly or through its subsidiaries to low cost operators, both in India and overseas, especially Bangladesh, where quality garments can be produced at competitive prices. The work-wear segment, too, offers opportunities for this division to grow profitably

The products include knitted or woven garments for ladies, gents and children, garments for sportswear, active wear, casual wear and sleepwear, garments made from fabrics like solid, mélange, yarn dyed, auto stripes, jacquards, embroidered and variety of prints like transfer prints, and block prints.

This remains primarily an export oriented business. And, exports increased to ₹ 162.99 crore in 2010-11 against ₹ 131.14 crore in 2009-10 – a growth of 25.28%. While, domestic sales increased from ₹ 9.86 crore in 2009-10 to ₹ 11.07 crore in 2010-11. Total garment sales increased by 23.45% to ₹ 174.06 crore in 2010-11. Table 9 gives the data.

Table 9: Garment Sales

Particulars	Twelve Months ended 31 March 2011				Twelve Months ended 31 March 2010				% Change
	Local	Export	Total	% to Sales	Local	Export	Total	% to Sales	
Garments	11.07	162.99	174.06	2.72%	9.86	131.14	141.00	3.27%	23.45%

MANAGEMENT DISCUSSION AND ANALYSIS

Polyester Yarn



As a backward integration to texturising, the Company had ventured in Partially Oriented Yarn (POY) with an installed capacity of 54,000 tpa in 2006 through chip route. Looking to the expansion of texturising capacity and to save on the raw material cost, the Company has increased the total production capacity of POY from 54,000 tpa to 200,000 tpa. This has been done through Continuous Polymerization (CP) route in March 2009. Under the CP route, POY is manufactured from PTA and MEG.

With prices of cotton increasing steeply, cotton fabric got replaced by polyester fabric, giving a fillip to demand for polyester yarn. Table 10 shows that Alok's domestic sales increased by 18.45% to Rs. 1,113.83 crore in 2010-11, while exports increased by 127.23% to Rs.574.35 crore in 2010-11. Consequently, total polyester yarn sales increased by 41.50% to Rs.1,688.18 crore in 2010-11 against Rs.1,193.08 crore in 2009-10.

Table 10: Polyester Yarn Sales

Particulars	Twelve Months ended 31 March 2011				Twelve Months ended 31 March 2010				% Change
	Local	Export	Total	% to Sales	Local	Export	Total	% to Sales	
Polyester yarn	1,113.83	574.35	1,688.18	26.43%	940.32	252.76	1,193.08	27.67%	41.50%

The Company expects growth in global demand for polyester yarn and is setting up another CP plant with a capacity of 300,000 tonnes taking total capacity to 500,000 tonnes, out of this 100,000 tpa has commenced operation in March 2011. The Company is also increasing DTY capacity by 56,000 tonnes to create total capacity of 170,000 tonnes

Capacity Expansion

Table 11 below gives the existing capacity and capacity expansion programmes from the different divisions.

Table 11: Alok's Capacity and Expansion Programme

Divisions	Units	Current Capacities	Capacities under Implementation	Capacities Post Expansions
SPINNING	Tons	69,040	10,960	80,000
	Spindles	(3,43,840)	(68,000)	(4,11,840)
	Rotors	(3,792)	(1,888)	(5,680)
HOME TEXTILES				
Processing	mn mtrs	82.5	22.5	105
Weaving	mn mtrs	68	24	92
Terry Towels	Tons	6,700	6,700	13,400
APPAREL FABRIC				
Processing	mn mtrs	105	21	126
Weaving	mn mtrs	93	17	110
Knits	Tons	18,200	6,800	25,000
GARMENTS	mn pcs	22		22
POLYESTER				
DTY	Tons	1,14,000	56,000	1,70,000
FDY	Tons	65,700	-	65,700
POY	Tons	3,00,000	2,00,000	5,00,000

MANAGEMENT DISCUSSION AND ANALYSIS

Quality

Alok has always stressed on maintaining high quality of manufacturing facilities and operational processes. The Company has the following accreditations.

ISO Certifications

The company is now accredited with Integrated Management System (IMS). There are 4 certificates under this system:

1. ISO 9001: 2000 – Quality Management System
2. ISO 14001:2004 – Environmental Management System
3. OHSAS 18001: 2007 – Occupational Health & Safety Assessment System
4. SA 8000: 2008 – Social Accountability

Alok is the only India textile company to have obtained IMS with all the four certifications.

ECO-Certification

Alok is the first Indian Textile company to have been awarded all three certifications for its eco-friendly products. This includes:

- EU Flower – the eco-certificate from European Union
- KRAV certification for organic products
- SWAN certification – a Nordic eco-labelling certification

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

Strategic Investments

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

The Company's strategic investments into subsidiaries and group companies decreased from ₹ 217.06 crore as on 31 March 2010 to ₹139.64 crore as on 31 March 2011. The decrease is primary due to reduction in equity investment into Alok Industries International Limited from ₹ 79.37 crore as on 31 March 2010 to ₹ 0.22 crore as on 31 March 2011. This step-down subsidiary has the majority of investments in Mileta and Grabal Alok (UK) Ltd. of the strategic investments, mainly ₹ 36.05 crore is in Alok (H&A) Ltd, ₹ 10 crore in Alok Apparels Pvt. Ltd. and ₹ 71.50 crore in realty assets of New City of Bombay Manufacturing Mills Limited.

In the textiles space, the two primary subsidiaries or associate companies are Mileta and Alok Apparels Private Limited.

Mileta

Alok holds 100% stake in Mileta, a Czech based manufacturing company through its wholly own subsidiary Alok Industries International Ltd.. The plants of Mileta are located in Horice (Weaving and Administration) and Cerny Dul (processing) in the Czech Republic.

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



MANAGEMENT DISCUSSION AND ANALYSIS

Mileta witnessed a turnaround in 2010-11. Net Sales grew by 3.02% from – € 19.85 million in 2009-10 to – € 20.45 million in 2010-11. PBT has turned around from a deficit of – € 1.54 million in 2009-10 to profits of € 0.7 million in 2010-11.

Alok Apparels Private Limited

Alok's 100% subsidiary, Alok Apparels Pvt. Ltd., manufactures woven and knit fashion garments at Silvassa. In 2010-11, the unit achieved sales of ₹10.89 crore. This business is expected to grow both through own manufacturing as well as outsourcing.

In order to further reach out to end customers and fill the void of the 'last mile', Alok has entered the retail space. In India, this endeavour is through the 'H&A' stores, while in UK it is through 'Store Twenty One'

H&A: Domestic Retail



The Company's domestic retail operations are today carried out through the cash and carry company called 'Alok H&A Ltd', a 100% subsidiary of the company and Alok Retail (India) Limited. The Company has been expanding its H&A chain of stores at a rapid pace. It has increased its number of stores from 226 at the beginning of 2010-11 to 291 by the end of 2010-11. This includes 'shop in shop' formats. With this, there is now presence in 22 states across over 75 cities. Most of the shops are operated through the franchisee model. The stores offer quality products in home textiles, men's wear, women's wear, kids' wear and accessories like ties, handkerchiefs and cuff-lings.

In 2010-11, Alok H&A Limited recorded sales of ₹ 40.37 crore and was a profitable business. Going forward the company plans to expand its network to 500 operational stores by March 2012, including a few large format stores with carpet area of around 2,500 square feet. All the new stores will be on the franchisee model and will therefore have lower set up costs and accelerated roll out. There are plans to roll out new accessories like footwear, sun-glasses and perfumes. The goal is to become an established affordable lifestyle store brand in India.

Store Twenty One: UK Retail



Alok Group presently has a stake of 91% in Grabal Alok (UK) Ltd the company that operates the 'Store Twenty One' chain of value-format stores in UK. Today, the chain comprises around 215 stores, which offer a value proposition for quality apparel for women, men, and children.

MANAGEMENT DISCUSSION AND ANALYSIS

They also sell accessories like artificial jewellery, shoes, leather bags, and toys, which complement the apparel range. The focus in this business over the recent past has been to restructure and grow revenues while optimising costs. And, in 2010-11, there were positive achievements on this front.

- For the 12 month period ended March 2011, the stores have registered gross sales of ₹ 129.75 million as compare to ₹ 117.06 million in FY 2010, a growth of 10.84%.
- Store margin increased from 40.30% in FY 2009-10 to 40.67% in FY 2010-11. On the costs front, people costs reduced marginally from 11.72% in 2009-10 to 11.68% in 2010-11.
- Operating profits or EBITDA turned around from a negative of ₹ 3.01 million in 2009-10 to positive territory of ₹ 1.71 million in 2010-11.

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. The investments here include:

Peninsula Business Park (Lower Parel)

This includes Tower B 641,600 sq ft at measuring of ultra modern office premises with 600 car parks. The project is developed by Peninsula Lands Ltd and civil work by out by Shapoorji Pallonjee. The First level starts at a height of 80 feet from the ground, thereby offering a fabulous view of the Arabian Sea and the Mahalaxmi Race Course. The building has received occupancy certificate from respective authorities. Two of the floors measuring about 32,000 sq. ft. each have been leased .

The total project cost is ₹ 1306.80 crore. This has been funded by equity of ₹ 556.80 crore and debt of ₹ 750.00 crore.



Ashford Royale Premium Residential Complex (Nahur)

The project is being developed jointly by Ashford Investment and Trading Company Pvt. Ltd. and Alok Infrastructure Ltd. It is a residential complex on a 7 acre plot (CEAT factory) at Nahur. The architects appointed for the project are Talati and Panthaky and the proposed saleable area is around 1.1 mn Sq. ft. It is being developed as a modern residential complex with large landscaped gardens and water bodies, with club house and gymnasium.

The total project cost is estimated to be about ₹ 550 crore, which is being funded by equity of ₹ 136 crore, advance from customers of ₹ 314 crore and debt of ₹ 100 crore. The certification of conversion of land to 'residential' use was received and the project launched in February 2011. The initial launch has been well received in the market and is expected to be completed by March 2014.



Ashford Centre (Lower Parel)

This 60,000 square feet of prime office space is located in Lower Parel in close proximity to Lower Parel and Currey Road stations; 5 star hotels ITC and Four Seasons; and other major complexes like Indiabulls, DLF, HDFC Bank House and Ambit RSM. The project developed by Ashford Group with Billimoria as architects. It is 10 storey commercial building of which 8 floors alongwith 40 car parks have been purchased by us.

The total project cost is ₹124.50 crore. Construction is complete and possession handed. Out of the 8th floors, 4 floor are being capatively used and balance 4 floor are being offered for sale.



MANAGEMENT DISCUSSION AND ANALYSIS

Since the two commercial properties are now nearly completed, Alok group is looking at bringing back its investments from its realty subsidiaries over a period of next two years. The proceeds shall be utilised towards repaying part of the existing debt of the subsidiary and parent company and thus reduce the gearing ratio of Alok Industries Ltd.

In addition, Alok had entered into a Joint Venture Agreement with National Textile Corporation (NTC) for the development and revival of New City Mills at Mumbai and Aurangabad Textile Mills at Aurangabad. Progress on this has been satisfactory – the units at Aurangabad and Mumbai with 135 garmenting machines and 125 garmenting machines have been set up; a design studio at New City Mills has also been established.

Human Resources

At Alok, the role of the HR team is structured to meet the needs of the organization. As a successful organization, Alok is becoming more adaptive, resilient, quick to change direction and customer-centered. Within this environment, the HR team is a strategic partner, an employee sponsor or advocate and a change mentor.

Strategic Partner: In the role as a strategic partner, the HR team contributes to the development of and the accomplishment of the organization-wide business plan and objectives. The HR business objectives are established to support the attainment of the overall strategic business plan and objectives. This strategic partnership impacts HR services such as the design of work positions; hiring; reward, recognition and strategic pay; performance development and appraisal systems; career and succession planning; and employee development.

Employee Advocate: As an employee sponsor or advocate, the HR function plays an integral role in organizational success via knowledge about and advocacy of people. This advocacy includes expertise in how to create a work environment in which people will choose to be motivated, contributing, and happy.

Fostering effective methods of goal setting, communication and empowerment through responsibility, builds employee ownership of the organization. The HR team helps establish the organizational culture and climate in which people have the competency, concern and commitment to serve stake holders well.

In this role, the HR team provides employee development opportunities, talent management strategies, leadership development, employee assistance programs, gainsharing and profit-sharing strategies, organization development interventions, due process approaches to problem solving and regularly scheduled communication opportunities.

Change Champion: The constant evaluation of the effectiveness of the organization results in the need for the HR team to frequently champion change. Both knowledge about and the ability to execute successful change strategies makes the HR team a key catalyst to bring about change in the organization. This a critical attribute to minimize employee dissatisfaction and resistance to change.

The HR team contributes to the organization by constantly assessing the effectiveness of the HR function. It also sponsors change in other departments and in work practices. To promote the overall success of the organization, it champions the identification of the organizational mission, vision, values, goals and action plans.

The company's headcount (including those on contract) as on 31 March 2011 stood at 23031. There were no incidents of stoppage of work on account of labour issues.

Information Technology (IT)

Alok has always utilised IT as a business enabler to optimise its processes and build a competitive edge. Implementation of appropriate new technology and up-gradation of IT tools is an on-going process at Alok.

The developments on this front in 2010-11 include:

- Variant configuration pilot has been carried out. Alok/IBM team have finalised the characteristics to be considered for final material master. After extensive testing to check the impact of this on all modules, it has been put to production and teething issues are being resolved.
- Blue print of business process charts (BPC) is finalised except for management consolidation. Necessary development environment is being installed. Consolidation of legal matters has been configured and tested. This is being made IFRS compliant and details on IFRS is awaited.
- Proposals have been received for controlling (CO) module. The project has been initiated and we are in the blue print phase.
- SAP has audited Advanced Planning Optimiser (APO) blue print and given a go ahead for configuration. APO Configuration has been completed and unit testing is over. A few product gaps were found during testing. These are being analysed

MANAGEMENT DISCUSSION AND ANALYSIS

by SAP. Users have signed off unit testing subject to these gaps. There are still some product gaps. SAP is looking into them and trying to make necessary changes.

- Human Capital Management (HCM) module has started. “AS IS” documents have been finalised. Blue prints have been signed off, configuration is complete and testing has been initiated.
- ECC 6 testing has been completed on development and quality servers. Preparation for production upgrade has been completed. Production upgrade has been completed as planned and ECC 6 is working fine in production environment at Alok.
- New P6 series servers and Storage Area Network (SAN) installed for APO and R/3 Production.
- Connectivity with Sri Lanka established (MPLS 512 Kbps).

Corporate Social Responsibility

While focusing on maximising shareholder value, Alok Industries has always strived to be a good corporate citizen and promote the overall cause of all stakeholders related to the textiles and apparel industry. These include initiatives on education, social welfare, environment and health.

Education

Alok played a pivotal role in setting up the Advanced Academy for Development of Textile Technologists (A.A.D.T.T.) with a vision to create a unique knowledge and technologically advanced platform for the identification, skill enhancement and career development of resources for the Textile Industry.

There is a significant knowledge gap between curriculum followed at institutes and knowledge and skill demand due to technology up gradation in the Indian textile industry. The shortage of quality and quantity of trained manpower is further worsened due to continuous movement of technologists to alternate streams (IT, Finance etc). Besides looking at governmental support, a pro-active initiative was needed from the textile industry players to identify, train and retain talent within the industry. The AADTT is testimony to the Company's commitment towards creating quality human resources for the Textile Industry. During the year, 10 candidates underwent training at the Spinning Division. In the current year close to 20 candidates have been selected from leading textile engineering Institutes for a course in skill development and enhancement. This will prepare them to meet the new and more challenging demands of the industry.

The Company provided mid-day meals to school children in the (Prathmik Shala) rural villages of Balitha and Murai, adjoining its plant premise, benefiting around 200 children on daily basis. It renovated a primary School for rural children in the village of Balitha which runs 1st to 5th standard and benefits over 100 children from adjacent villages. A similar school renovation project has been sponsored at the Government School based at Saily Village. The Company donated computers to various rural schools in Moria and Balitha villages.

The Company started a public school in Silvassa under the CBSE curriculum. This modern school will hugely boost the aspirations of the local populace to ensure a sound education platform for their children. The school will have facilities for all round development of children besides having special programs for the differently abled. Alok is also working on a private public partnership with Silvassa administration to convert the Government owned Industrial Training Institute (ITI) into a centre of excellence.

Social Welfare

The organization runs a training centre at Silvassa where tribal ladies and boys are trained on stitching operations and later absorbed on the company rolls as permanent employees, thus providing employment opportunities to the rural local population. The Company promotes women employment and imparts technical training to tribal women too for their migration as operators.

To promote infrastructure development, the Company constructed tar roads inside the villages of Murai and Balitha. It renovated a local bus stop at Morai for convenience of villagers, a police station at Vapi and provided proper infrastructure / furniture to them, and a primary health care centre in the Chalka village. The Company also donated one “Blood Separator Unit” to Haria Hospital at Vapi.

To extend a helping hand during natural calamities, Alok distributed food packets and bed sheets to the flood affected victims during the Gujarat floods.

Environment

Afforestation work was carried out at hills adjacent to Balitha, Moria and Vatar Villages. The Company also provided a water sprinkler system on the hills to maintain the forest and prevent fires during summer months. It undertook plantation and cultivation of mango groves at the vicinity of Morai village, adjacent to Vapi plant by the company.

MANAGEMENT DISCUSSION AND ANALYSIS

Alok has started a project on biological processing of ETP water at Vapi unit. On a regular basis, ETP water is recycled and reused. The Company has set up a RO plant to recover over 70% of the ETP water and the same is used in sanitation and horticulture purpose in the plant itself, reducing pollution load on the environment.

The organization has also taken up beautification projects in the township of Silvassa. It has taken up the mantle of maintaining green units at important locations across the township. To maintain its commitment towards the environment, the company planted over 500 trees and proposes to intensify its 'greening' initiatives this year.

Health

The Company frequently conducted blood donation camps in association with a NGO – Blood bank – Popat Lakla Blood Bank at Balitha.

The company as a commitment towards community health, conducted training and distributed tablets for prevention of filariasis (Elephantiasis) to the people residing in vicinity with the help of Public Health Department, Silvassa.

The organization runs a full time dispensary at each of its unit for the welfare of its employees. Each dispensary has a visiting doctor, full time trained nurses and is adequately equipped with medicines. It also has tie up with hospitals at Vapi / Silvassa to handle emergencies.

The Company also conducted an 'Eyecare camp' at the corporate office and plants where all employees could get their eyes tested by renowned ophthalmologists and were provided eye treatment at subsidised rates.

The Company received the following awards during 2010-11:

- The Company received the following trophies from TEXPROCIL for its performance in 2009-10
- Gold Trophy for highest exports of bleached/dyed/yarn dyed/printed fabrics in the fabrics category
- Gold Trophy for highest exports of bed linen/bed sheets/quilts in the Made-ups category
- Silver Trophy for highest global exports category
- Certificate of Recognition as a 'STAR TRADING HOUSE' from the Government of India.
- Appreciation Certificate from the Office of the Chief Commissioner of Central Excise, Customs and Service Tax, Vadodara Zone to the Vapi Unit for "Contribution of the Revenues with the Spirit of Cooperation and voluntary compliance with the laws during the Current Year"
- The Company was also the proud winner of the IMC – Ramakrishna Bajaj National Quality (RBNQ) Performance Excellence Trophy – 2010 in its maiden attempt

Risk Management

The ability to take risks is the hallmark of any good business enterprise, but if those risks are managed ineffectively, then growth can be adversely affected. Risk would mean the inability to assess the danger of loss due to unforeseen events or to optimize opportunities. Every organization needs an effective risk management framework.

Corporate reality is today besieged with challenges. Whether those challenges relate to governance, people, process or technology, there has to be a methodology to address all of them efficiently. Enterprises need to possess the right tools to assess, develop, implement and monitor, to manage the organization.

At Alok Industries Limited, we adopt a risk intelligent approach to manage financial, technology, and business risks. We have a structured framework that endeavors to deliver effective solutions to the challenges faced by the organization. While focusing on areas of enhanced risk, we have created a structure to effectively manage risk across our bandwidth. We have developed risk committees at all locations, comprising of senior officials from different streams. These committees meet regularly to discuss various risks affecting their respective locations and also suggest mitigation measures for vetting by the steering committee and subsequent implementation. There are identified risk owners and risk champions who lead these committees and all identified and duly rated risks are captured in risk registers specially created for this purpose.

We seek to not only to pursue intelligent risk taking as a means to value creation but also cultivate a robust risk mitigation ideology. Our risk management initiatives are directed so as to better align our business objectives and strategies with the need of today's competitive market. We periodically also avail the aid of globally reputed specialists to redefine our risk framework in line with our vision, mission and business strategy.

Risks & Risk Mitigation

The Company's risk mitigation measures for major operational and process risks are detailed below.

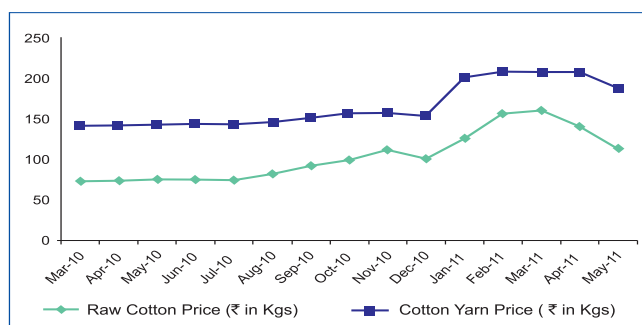
Materials and Input Costs

For financial year ended 31 March 2011, cotton related businesses constituted 74% of Alok's total business and polyester yarn was about 26%. The major raw materials for both the businesses are discussed below:

Cotton

Cotton related business being a major part of Alok's business; cotton is one of the main raw materials. Fluctuations in the prices of cotton, therefore, may impact the Company's performance adversely.

According to the International Cotton Advisory Committee, world cotton production for 2010-11 was estimated at 25.05 million tonnes, whereas consumption was 25.01 million tonnes, thus the stock was at 8.65 million tonnes as at FY 2010-11. World cotton production for 2011-12 is estimated at a record level of 27.33 million tonnes, whereas consumption is estimated at 25.76 million tonnes. Thus, the stock at the end of 2011-12 would be higher at 10.21 million tonnes.



As per Cotton Advisory Board, India's cotton output during the 2010-11 was estimated 32.5 million bales (170 kg each) and consumption is estimated at 25.3 million bales. After considering exports of 6.5 million bales, the carry forward stock at the end of 2010-11 is estimated at 5.25 million bales.

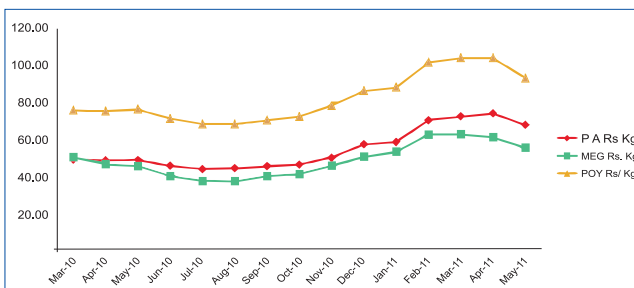
In the year under review, Cotton witnessed the highest price increase in the last 100 years. Cotton prices went up from Rs 34000 per/candy at the beginning of the season to Rs 63000 in the month of May 2011 and then dropped down to Rs 30,000.

In India this season, subject to normal monsoons, the crop is expected to be about 34 million bales i.e. about 5% higher than the previous season and therefore, cotton prices are expected to remain stable at current levels.

Looking at the wide fluctuations in the price of cotton, Alok has strategized cotton procurement in many ways to mitigate the risk of cotton price fluctuations. First, it buys cotton to the extent of sale of its fabrics and other products, which is normally 3-4 months. Secondly, it buys during cotton crop season, when quality, availability and costs are favourable. Finally, the price movement of cotton being a global phenomenon; it is able to pass on the increase /decrease in prices to the customer.

PTA and MEG

Polyester yarn is increasingly becoming a major business for Alok. Purified Terephthalic Acid (PTA) and Mono Ethylene Glycol (MEG) are the / major raw materials that go into the manufacture of POY and polyester yarn. Being petrochemical products, prices of PTA and MEG fluctuate in line with fluctuations in crude oil prices. Also, PTA and MEG prices move in tandem with the cotton prices as was noticed during the recent volatility of cotton prices.



Presently, international crude oil prices are stable and it is estimated that they would move within a narrow price band. Also, the volatility in cotton prices has come down. As a result, we expect PTA and MEG prices to be stable too. The demand for textiles is growing and cotton being a natural commodity has a limitation on production. Moreover, polyester being a cheaper compared to cotton, the demand for polyester has been growing rapidly over the past few years and the trend is expected to continue. In case of polyester also, Alok is trying to keep its inventory level matched with its sales order book. Looking to the present rising demand scenario for polyester and fluctuation in prices being a global phenomenon, Alok is confident that it will be able to pass on the fluctuations in cost of the raw material to the end customer.

MANAGEMENT DISCUSSION AND ANALYSIS

Fuel

Power and fuel are major manufacturing costs in the production of textiles. In case of Alok, power and fuel cost are about 6% of Alok's sales. Any increase in these costs therefore has an adverse impact on Alok's bottom line. Over the past year, tariff prices for power have been increasing. The Company's dual fuel captive power plant helps to mitigate some of the power cost risk. Alok has been actively exploring opportunities to switch over to a cheaper fuel source. The Company's plants at Vapi are already running on natural gas; it is expected that the same initiative will be completed in 2011-12 for Silvassa. Once the switchover is completed and stabilised, there will be substantial savings in fuel costs; availability of fuel will also be less of a risk. Further, Silvassa perhaps, enjoys the lowest power tariff in the country and Alok makes efforts to draw maximum power from the grid.

Markets

Alok's sales are subject to market demands. Alok is a B2B company and caters to almost all the international and domestic brands and retailers for one or other of their requirements. The Company has a mix of domestic and export sales; Alok's exports are to over 70 countries and exports constitutes about 35% of its total sales. The status and risk of major economies where Alok sells its products are given below.

USA

36% of Alok's total exports are to the USA. The US economy, though, having a slow growth, is a major textile consuming country and textiles are sort of necessities. The consumer may, however, shift the demand towards mid to low end products over high end products during such times. Moreover, in such scenario, the buyers resort to consolidation of sourcing to few large suppliers like Alok. The Company has been actively exploring other lucrative export markets, especially in Asia, Middle East and South and Central America; which together have a 49% share of Alok's exports. Africa, also offers Alok growth opportunities in the export market.

Europe

About 14% of Alok exports is to European nations. Slowdown in the in Europe is both a risk and an opportunity for Alok. Textile is a basic consumption need and consumers will purchase basic 'value for money' clothes and apparel, even in the middle of the slowdown. Also, because the cost of production being relatively high, a number of textile units in Europe have either reduced or ceased operations. These factors, in turn, help Asian manufacturers like Alok to penetrate European markets. Having said this, the slowness of the recovery, especially in Central and Southern Europe remains an area of concern.

India

Indian economy is the second-fastest growing major economies in the world. A Clothing demand tends to move in tandem with GDP growth; hence, the domestic demand prospects for textiles and apparel look positive. There is worry about inflationary pressures; however, the scope for growth in the Indian market remains substantial. As per the domestic demand scenario, Alok would suitably position itself to tap the growing domestic market.

Financial Risk

Since removal of quota in Textile trade in 2005 till 2011, Alok has been aggressively expanding its capacities with forward and backward integration and did a capex of ₹ 9027 crores. As a result, it has emerged as the largest Integrated Textile Company in the country and has been able to establish contacts with all the leading brands and retailers in the world. As bulk of the capex was through debt, the gearing of the Company has increased. However, the company's borrowing cost is considerably low at about 8% p.a. as some of these borrowings are under the Technology Upgradation Fund Scheme (TUFS) at concessional rates of interest; some are foreign currency borrowings. Also, for working capital, the company is able to borrow at lower cost under foreign currency / rupee export finance.

The bulk of the capacity expansions that Alok has undertaken have been completed and commissioned. As production from these expansions comes on-stream, Alok expects an improvement in its cash flow, profitability and internal accruals. Alok is also contemplating to bring back some of its investments in Realty and use the proceeds towards repayment of consolidated / standalone debt. The Long term Rating of the company continues to be CARE A+(A Plus).

Currency Risk

About 35% of Alok's total sales is exports. For FY 2010-11 the total exports were ₹ 2,217.43 crore. These sales were denominated mainly in US Dollars. A part of the Company's loan book also comprises of foreign debt. Fluctuations in foreign currency can therefore impact, either Alok's top line or its interest outgo. Over the past few months, there has been uncertainty over the Rupee movement. Rupee strengthening will impact exporters but would be beneficial on foreign currency loan liabilities.

Alok has a well-entrenched in-house treasury division, that monitors currency fluctuations periodically and takes corrective action where needed.

MANAGEMENT DISCUSSION AND ANALYSIS

Internal Controls and their Adequacy

Alok has internal control systems and processes commensurate with its size and operations. The internal control function is prevalent across all plants, divisions and corporate headquarters for safeguard of the Company's assets and for their protection against loss from unauthorised use or disposition. This is also to ensure that transactions are reliably authorised, recorded accurately and reported quickly.

Alok has, towards facilitating the above, appointed Chartered Accountant firms to carry out concurrent internal audit at all its locations. The scope of its internal audit programme is laid down by the Audit Committee of the Board of Directors. The Audit Committee is briefed every quarter of the findings by the internal auditors, along with the remedial actions that have been recommended or have been taken by the management.

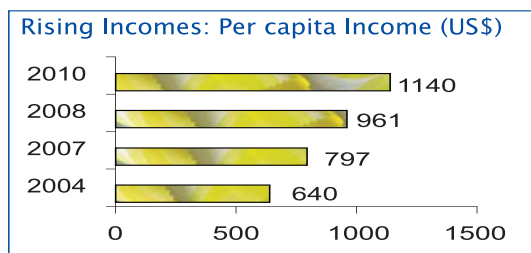
Future Outlook

The recovery of global economies is happening at a slower pace, however, growth in Asian economies is quite encouraging and fuelling the overall global economy. India has emerged as the second fastest growing economies in the world driven by its manufacturing output and infrastructure growth. The monsoon in 2011-12 is expected to be normal and initial indicators are showing that India is expected to grow at around 8%.

The demand for Textiles has been growing in the domestic market in line with the growth in GDP and presently it is estimated at USD 52 billion (about ₹ 2,34,000 crore). On export front also, Indian textile exports has been growing consistently and it is at about USD 26 billion (about ₹ 1,17,000 crore). Thus, the total size of Indian Textile industry presently is about USD 78 billion (about ₹ 3,51,000 crore).

In case of domestic market, apparel segment is the highest constituting almost 70% of the total textile consumption and is estimated to be USD 36 billion (about ₹ 1,62,000 crore). The next biggest segment is the technical textiles with an estimated size of USD 12 billion (about ₹ 54,000 crore). The home textile segment is estimated to be around USD 4 billion (about ₹ 18,000 crore).

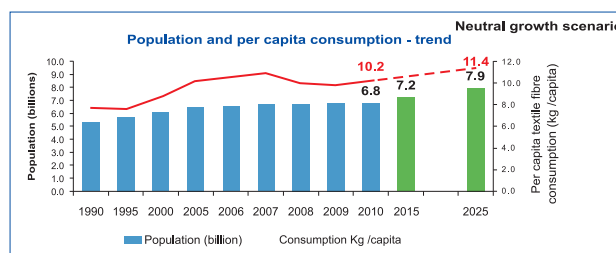
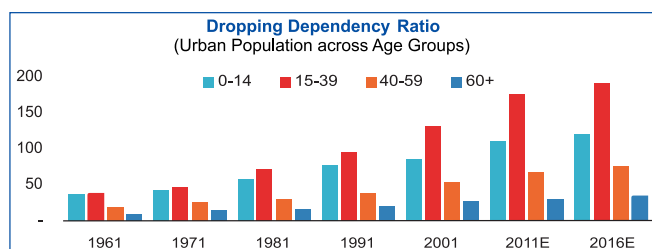
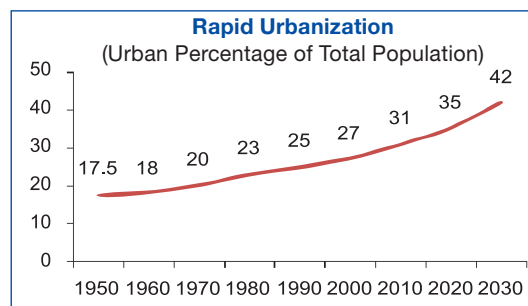
The main drivers of domestic growth are increasing population, increasing income levels, rapid urbanization, improving demographics, increased organized players and increasing penetration of retailers into smaller cities.



(source:Technopak)

Accordingly, the domestic market is expected to grow at a CAGR of about 10% to reach USD 140 billion (about ₹ 6, 30,000 crore) by the year 2020. All the three sectors are expected to grow uniformly with apparel segment to reach USD 100 billion (about ₹ 4, 50,000 crore), technical textile to grow to USD 30 billion (about ₹ 1,35,000 crore) and home textile domestic market is estimated to be USD 10 billion (about ₹ 45,000 crore).

As an indicator of rising domestic consumption, the Retail sector in India grew at 10%-14% CAGR between 2004-05 and 2007-08 on the backdrop of favourable demographics, rising disposable income and increasing urbanization. Organised retail grew faster at 28% led by new entrants, low penetration and large expansions by existing players. Going forward, Indian retail is expected to grow at 13.5% CAGR over the next 5 years and expected to almost double to ₹ 27,20,000 crore (USD 604 billion) from its existing



(source:Technopak)

MANAGEMENT DISCUSSION AND ANALYSIS

14,40,000 crore (USD 320 billion). Organised retail is expected to grow faster at 22.3% increase its share in retail to 9.4% by 2014 from the existing 6.5%.

The global textile and apparel is estimated to be around USD 600 billion and is expected to grow at a CAGR of 5% to reach USD 1000 billion by 2020. With the world population expected to grow 1 bn. by 2025, there would be an additional fibre consumption of approx. 20mn. tons

The Indian textile exports are likely to grow considerably to USD 80 billion by the year 2020 at a CAGR of about 12% and its share is expected to increase from present about 4% to about 8% by 2020. The Indian textile and apparel exports are expected to increase at a higher pace in the future due to: (a) increased shift in sourcing from developed countries to Asia; (b) the overseas buyers are now looking at India as good a alternative to de-risk their sourcing requirements from China (c) growing domestic demand in China limiting its export surplus; and (d) Chinese announcement to allow more flexibility to its currency Yuan vis-a-vis USD thereby giving level playing field to the Indian Textile Exporters

The recent slow-down has indicated that global textile and apparel buyers are, to reduce supply chain costs and quality variations, now looking at reducing the number of suppliers from whom they source materials and preferring to consolidate their purchases with a few large and efficient suppliers; thus, textile players with capabilities to deliver large volumes of high quality textiles and apparel, are expected to benefit.

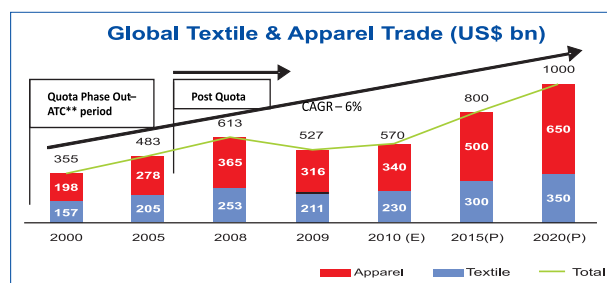
Alok has been gearing itself, from last of couple of years, for these opportunities. It has created large scale capacities with backward and forward integration, adopted modern technologies, widened its product range and created a flexible set up to quickly adopt to the changing customer's needs. Its integration and scale enable it to produce high quality products at most competitive prices and at lowest lead times. It has a well diversified customer base and has become a reliable sourcing partner for its customers. It also plans to penetrate in the domestic market by expanding its domestic retail outlets 'H&A' at a pan India level.

With its expansion programmes nearing completion, Alok would be looking to consolidating its operations with a focus on maximising Return On Capital Employed (ROCE), effective utilisation of capacities and cost control. It would be looking at increasing its asset turnover by concentrating on value added products on the cotton side and increasing capacities on polyester side. It would also be looking at expanding its market by increasing its geographical reach.

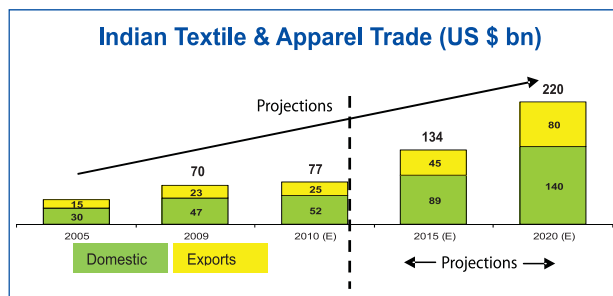
Alok also believes that its retail business will be a profitable revenue earner in the near future.

Cautionary Statement

The management of Alok Industries Ltd. 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. The management also accepts responsibility for the preparation of other financial information that is included in this report. 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. The management has based these forward looking statements on its current expectations and projections about future events. Such statements 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.



(source:Technopak)



(source:Technopak)

did you know?
did you know?



■ Alok is amongst the market leaders in every segment that it operates.
It has probably the widest product range in the world under one roof.

■ Alok commenced manufacturing operations in February 1989 at Silvassa with production of 511 tons per annum of Polyester Texturised Yarn. Alok's present capacity of 1,400 tons per day is an increase of over 2.50 times of its original capacity per annum making it the fourth largest fully integrated polyester yarn manufacturer in the country.

Alok offers a wide range of polyester products from Partially Oriented Yarn (POY), Draw Texturised yarn (DTY), Fully Drawn Yarn (FDY), Dyed Yarn, Cationic Yarn, Polyester Staple Fiber (PSF) and Chips.

■ One of the largest embroidery producers in India and amongst the largest in the world is Grabal Alok Impex Limited (Grabal), a Joint Venture Company promoted by Alok in 1995 in financial and technical collaboration with Grabal, Albert Grabher Gesellschaft mbH & Co. of Austria.

The Board of Directors of Alok and Grabal have approved the amalgamation of Grabal into Alok with a swap ratio of 1:1 i.e. every one share of Grabal would receive one share of Alok.

■ Alok had a humble beginning in the Home Textiles sector in 2003-04 with manufacturing and export of bed sheets worth Rs. 56 crore in the first year. As on 31st March 2011, Alok is the probably the largest bed linen exporter from India with export of Rs. 946 crore and has been awarded the prestigious 'Gold Trophy' by TEXPROCIL, Ministry of Textiles, Government of India twice in a row.

Alok's range in this segment today includes the entire range of top of the bed i.e. Sheet sets, Duvets, Comforters, Blankets, Quilts, Bed in Bag in solids, dobies, jacquards, prints, embroidery, yarn dyed. It has also added special finishes such as Wrinkle free, Antibacterial, Fire retardant, etc. and curtains and towels to its portfolio.

■ Being amongst the first to enter the Technical and Special finish fabrics segment in 2005, with capacity of about 20 million meters p.a., Alok today has become a dominant manufacturer of work wear fabrics in India. camouflage prints with IRR finish, Teflon coated, UV protection, ice cool, etc.

The range includes finishes such as flame retardant, high visibility, oil resistant, anti bacterial, mosquito repellent,

Alok is continuously investing in research and development in this direction and work wear fabrics would be a major focus for growth.

■ Alok Industries International Limited (BVI), a wholly owned subsidiary of Alok acquired 60% stake in Mileta International in Czech Republic in 2007. Today, it owns 100% stake in that company and has also turned around Mileta into a profit making company.

Alok has also acquired technology to manufacture premium yarn dyed fabrics and managed to penetrate the lucrative European market for its products. It has added products from Mileta like handkerchiefs and table linen in its product portfolio.

■ Alok group holds, 91% stake in Grabal Alok UK Limited, that owns the retail chain "Store Twenty One" with 219 stores across UK, Scotland and Wales and employs about 2,500 people. The stores offer a value proposition for quality apparel for women, men, and children and fashion accessories like costume jewellery, shoes, leather bags, toys etc.

With the proposed amalgamation of Grabal into Alok, post-merger the entire 91% would be held by Alok Industries Ltd through its wholly owned overseas subsidiaries

■ Alok H&A Ltd., a 100% owned subsidiary of Alok operates 311 Stores in the Indian domestic market in 22 states and 75 cities under the store brand on franchisee and shop-n-shop basis. H & A stores offer high quality home textiles, men's wear, women's wear, kids' wear and fashion accessories to Indian consumers. "Brett Lee" brand of active wear and sportswear is now being launched for the first time in India through H & A stores. Few more brands and larger format stores of about 2500 sq. ft. will also be introduced soon.

■ Alok has decided to sell its properties held under its real estate subsidiary, Alok Infrastructure Private Limited. It has appointed Cushman & Wakefield for this purpose. The market value of these assets is significant and the company is confident of liquidating the same over a period of 3 years. The proceeds of these properties would be used to retire debt of the Company.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Transparency, integrity, professionalism and accountability are the cornerstones of Alok Industries Limited's ('Alok Industries' or 'the Company') value system, which guide the Company's management in conducting business and creating value for all its stakeholders including its shareholders, customers, employees and the community in which the company operates. Consequently, Alok Industries remains resolute in its belief and practice of good corporate governance.

With firm commitment to ethics and integrity in all its business dealings, the Company maintains a high degree of transparency through regular disclosures and a focus on adequate control systems. Alok encourages management independence and provides flexibility to all its employees within an established framework of policies standards and processes. Instead of viewing corporate governance practices as a set of binding obligations, Alok Industries believes in utilizing these governance systems and frameworks in practice to deliver value over the long term.

This chapter, along with the chapter on additional shareholders information is the Company's disclosure on compliance with the mandatory requirements on corporate governance stipulated in the listing agreement with the Securities and Exchange Board of India (SEBI) under clause 49.

BOARD OF DIRECTORS

COMPOSITION OF THE BOARD

As on 31 March 2011 the Company's Board comprises of 12 directors. The Board has four Executive Directors, of which the Executive Chairman, Managing Director and Joint Managing Director are also promoter Directors. In addition, the Board has eight non-executive Directors, consisting of five independent Directors who are nominees of various financial institutions, two independent Directors and one non-executive director. The composition of the Board satisfies the conditions that SEBI has laid down in this regard.

NUMBER OF BOARD MEETINGS

The Board of Directors met four times during 2010-11 on 30 April 2010, 29 July 2010, 28 October 2010 and 28 January 2011. The maximum gap between any two meetings was less than 4 months.

DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIP HELD

Table 1: Composition of the Board of Directors as on 31 March 2011

Name of the Directors	Category	Attendance Particulars			No. of other Directorships and Committee membership / Chairmanships in other Indian public companies		
		Number of Board Meetings		Last AGM	Other Directorships	Committee	
		Held	Attended			Memberships	Chairmanships
Mr. Ashok B. Jiwrajka (Executive Chairman)	Promoter, Executive	4	3	No	12	1	-
Mr. Dilip B. Jiwrajka (Managing Director)	Promoter, Executive	4	3	Yes	13	2	-
Mr. Surendra B. Jiwrajka (Joint Managing Director)	Promoter, Executive	4	3	Yes	13	1	-
Mr. Chandrakumar Bubna	Executive	4	2	Yes	1	-	-
Mr. Ashok G. Rajani	Independent	4	3	No	-	-	-
Mr. K.R. Modi	Independent	4	4	Yes	1	2	-
Mr. K. D. Hodavdekar (Nominee of IDBI Bank Limited)	Independent	4	4	Yes	-	-	-
Mr. Rakesh Kapoor (Nominee of IFCI Ltd.)	Independent	4	4	Yes	2	-	-
Mrs. Thankom T. Mathew (Nominee of Life Insurance Corporation of India.)	Independent	4	4	No	-	-	-
Mr. David Rasquinha (Nominee of Export Import Bank of India)	Independent	4	4	No	3	-	-

REPORT ON CORPORATE GOVERNANCE

Name of the Directors	Category	Attendance Particulars			No. of other Directorships and Committee membership / Chairmanships in other Indian public companies		
		Number of Board Meetings		Last AGM	Other Directorships	Committee	
		Held	Attended			Memberships	Chairmanships
Mr. Timothy Ingram	Independent	4	4	Yes	-	-	-
Mr. A. B. Dasgupta (Nominee of IDBI Bank Limited) (#)	Independent	4	3	Yes	-	-	-
Mr. Debasish Mallick Nominee of IDBI Bank Limited) (#)	Independent	1	0	N.A.	-	-	-

Note:

Nomination of Mr. A. B. Dasgupta was withdrawn by IDBI Bank Limited w.e.f. 01 November 2010 and in his place Mr. Debasish Mallick was appointed on the same date.

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

DIRECTORS WITH MATERIAL PECUNIARY OR BUSINESS RELATIONSHIP WITH THE COMPANY

As mandated by Clause 49, the Independent Directors on the Company's Board:

- Apart from receiving sitting fee, commission and stock options, do not have any material pecuniary relationships or transactions with the company, its promoters, its Directors, its senior management or its holding company, its subsidiaries and associates which may affect independence of the Director.
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been an executive of the company in the immediately preceding three financial years.
- Are not partners or executives or were not partners or an executives during the preceding three years of the:
- Statutory audit firm or the internal audit firm that is associated with the company
- Legal firm(s) and consulting firm(s) that have a material association with the company
- Are not material suppliers, service providers or customers or lessors or lessees of the company, which may affect independence of the Director
- Are not substantial shareholders of the company i.e. do not own two percent or more of the block of voting shares

Transactions with related parties are disclosed in Note 3 of 'Notes forming part of the Accounts' annexed to the financial statements of the year. There has been no materially relevant pecuniary transaction or relationship between Alok and its non-executive and/or independent Directors during the year 2010-11.

Note:

During the year, the Company made payment of legal fees of ₹ 1.74 lakh to M/s. Kanga & Co., solicitors and advocates, in which Mr K R Modi, director, is a Senior Partner and had sales transactions aggregating to ₹ 238 lakh with a firm and company in which Mr Ashok Rajani, director is a Partner and Director. The transactions were made in the ordinary course of business and at arm's length basis. The Board of Directors of the Company is of the view that the transactions made are not material enough to impinge upon the independence of both the Independent Directors

REPORT ON CORPORATE GOVERNANCE

INFORMATION SUPPLIED TO THE BOARD

The information supplied to the Board includes:

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

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

CODE OF CONDUCT

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

COMMITTEES OF THE BOARD

A) AUDIT COMMITTEE

As on 31 March 2011, Alok's Audit Committee consisted of Mr. Rakesh Kapoor (Chairman of the Committee), Mr. Ashok G. Rajani, Mr. K.R. Modi, Mr. Dilip B. Jiwrajka and Mr. K. D. Hodavdekar. All members of the Audit Committee have accounting and financial management expertise. The Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on 17 September 2010.

The Committee met four times during the course of the year: on 30 April 2010, 29 July 2010, 28 October 2010 and 28 January, 2011. Table 2 gives attendance record.

REPORT ON CORPORATE GOVERNANCE

TABLE 2: ATTENDANCE RECORD OF COMPANY'S AUDIT COMMITTEE

Name of the Member	Position	Status	Audit Committee Meetings Held	Meetings Attended
Mr. Rakesh Kapoor	Chairman of the Committee	Independent Director	4	4
Mr.Ashok Rajani	Member	Independent Director	4	3
Mr.K R Modi	Member	Independent Director	4	4
Mr.Dilip B. Jiwrajka	Member	Promoter, Executive	4	3
Mr.K D Hodavadekar	Member	Independent Director	4	4

Notes:

The 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, President (Corporate Affairs) & Company Secretary, is the secretary to the Committee.

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. Reviewing the company's risk management policies.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. Reviewing any changes in the accounting policies or practices as compared to the last completed financial year and commenting on any deviation from the Accounting Standards.

14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

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

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

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

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

The Audit Committee is also apprised on information with regard to related party transactions by being presented:

- A statement in summary form of transactions with related parties in the ordinary course of business
- Details of material individual transactions with related parties which are not in the normal course of business
- Details of material individual transactions with related parties or others, which are not on an arm's length basis along with management's justification for the same.

b) SHAREHOLDERS'/INVESTORS' GRIEVANCES COMMITTEE

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

The Committee met 5 times during the year. Table 3 gives the details of attendance.

Table 3: Attendance record of Shareholders'/Investors' Grievances Committee for 2010-11

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. Ashok G. Rajani	Chairman	Independent	5	5
Mr. Dilip B. Jiwrajka	Member	Promoter, Executive	5	5
Mr. Surendra B. Jiwrajka	Member	Promoter, Executive	5	5
Mr. Ashok B. Jiwrajka	Member	Promoter, Executive	5	5

Terms of Appointment of Whole-time directors

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

REPORT ON CORPORATE GOVERNANCE

Name of the Directors	Contract Period	Notice period for termination of contract	Fixed Salary	Commission
Mr. Ashok B. Jiwrajka	10 March 2008 to 9 March 2013	Six calendar months notice, in writing to the Board of Directors of the Company.	₹15,00,000/- per month	1% of the net profit of the Company.
Mr. Dilip B. Jiwrajka	10 March 2008 to 9 March 2013	Six calendar months notice, in writing to the Board of Directors of the Company.	₹15,00,000/- per month	1% of the net profit of the Company.
Mr. Surendra B. Jiwrajka	10 March 2008 to 9 March 2013	Six calendar months notice, in writing to the Board of Directors of the Company.	₹15,00,000/- per month	1% of the net profit of the Company.
Mr. Chandrakumar Bubna	1 May 2009 to 30 April 2014	Six calendar months notice, in writing to the Board of Directors of the Company.	₹15,00,000/- per month	1% of the net profit of the Company.

Remuneration paid to Directors

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

Table 4: Details of remuneration paid to Directors for 2010-11

Name of the Director	Sitting Fees ²	Salary and Perquisites	Provident & Superannuation Funds	Commission ³	Total
	In ₹				
Mr. Ashok B. Jiwrajka	-	18,000,000	-	12,500,000	30,500,000
Mr. Dilip B. Jiwrajka	-	18,000,000	-	12,500,000	30,500,000
Mr. Surendra B. Jiwrajka	-	18,000,000	-	12,500,000	30,500,000
Mr. Chandrakumar Bubna	-	18,000,000	-	12,500,000	30,500,000
Mr. Ashok G. Rajani	60,000	-	-	-	60,000
Mr. K. R. Modi	80,000	-	-	-	80,000
Mr. K. D. Hodavdekar (Nominee of IDBI Bank Limited) ⁴	80,000	-	-	-	80,000
Mr. Rakesh Kapoor (Nominee of IFCI Ltd.) ⁴	80,000	-	-	-	80,000
Mrs. Thankom T. Mathew (Nominee of Life Insurance Corporation of India) ⁴	80,000	-	-	-	80,000
Mr. David Rasquinha (Nominee of Export Import Bank of India) ⁴	80,000	-	-	-	80,000
Mr. Timothy Ingram	80,000	-	-	-	80,000
Mr. A. B. Dasgupta (Nominee of IDBI Bank Limited) ⁴	60,000	-	-	-	60,000
Mr. Debasish Mallick (Nominee of IDBI Bank Limited) ⁴	-	-	-	-	-

Notes:

- None of the Directors are related to each other, except Mr. Ashok B. Jiwrajka, Mr. Dilip B. Jiwrajka and Mr. Surendra B. Jiwrajka, who are brothers.
- Sitting fees to non-executive directors include payment for Board-level committee meetings.
- Commission payable to the executive directors, is linked to the net profit of the Company and therefore considered as performance linked incentive.
- Sitting fees of nominee Directors Mr. Rakesh Kapoor and Mr. A. B. Dasgupta have been / are paid in their names. In the case of the other nominee Directors, the sitting fees are paid to the financial institution they represent.

SUBSIDIARY COMPANIES

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

Under this definition, the Company does not have a ‘material non-listed Indian subsidiary’.

SHARES AND CONVERTIBLE INSTRUMENTS HELD BY THE NON-EXECUTIVE DIRECTORS

As on 31 March 2011, Mr. Ashok G. Rajani, independent Director holds 5,000 equity shares of the Company and Mr. K. R. Modi, independent Director holds 4,612 equity shares of the Company. No other non-executive Director holds any equity shares in Alok Industries .

As on 31 March 2011, none of the non-executive directors held any convertible instruments of the Company.

MANAGEMENT

MANAGEMENT DISCUSSION AND ANALYSIS

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

DISCLOSURES BY MANAGEMENT TO THE BOARD

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

DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India, the applicable Accounting Standards and the provisions of the Companies Act, 1956.

DETAILS OF NON-COMPLIANCE BY THE COMPANY

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

Code for prevention of insider-trading practices

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

Mr. K.H. Gopal, President (Corporate Affairs) & Company Secretary, is the Compliance Officer.

CEO/ CFO CERTIFICATION

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

SHAREHOLDERS

REAPPOINTMENT/APPOINTMENT OF DIRECTORS

As per the requirements of Section 256 of the Companies Act, 1956 two-third of the Board shall consist of retiring directors out of which one third shall retire at every annual general meeting. Accordingly, Mr Chandrakumar Bubna and Mr Timothy Ingram shall retire and shall seek re-appointment in the ensuing Annual General Meeting of the Company.

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT.

Mr. Chandrakumar Bubna – 58 years He is a B.Com Graduate. He is the Executive Director of the Company and is responsible for the marketing operations of the Company. He has over two decades of experience in designing of marketing strategies of the Company.	
Other Directorships	Grabal Alok Impex Limited
Other Committee Memberships	NIL
Number of shares held in the Company	3,07,255

REPORT ON CORPORATE GOVERNANCE

Mr. Timothy Ingram, 64 years

He completed his Masters in Arts in Economics from Cambridge University, an MBA from INSEAD Business School and is a Fellow of the Chartered Institute of Bankers. He spent most of his career in banking (Grindlays Bank, ANZ, Abbey National) and then in 2002 became CEO of Caledonia Investments plc, a UK listed investment company. He retired from Caledonia Investments in 2010 and is now Chairman of Collins Stewart Hawkpoint plc, a UK listed investment banking and wealth management business.

Other Directorships	Collins Stewart Hawkpoint plc Savills plc Alliance Trust plc (all are UK incorporated businesses)
Other Committee Memberships	NIL
Number of shares held in the Company	NIL

MEANS OF COMMUNICATION WITH SHAREHOLDERS

Alok Industries puts forth key information about the Company and its performance, including quarterly results, official news releases, and presentations to analysts, on its website www.alokind.com regularly for the benefit of the public at large. During the year, the quarterly results of the company's performance have been published in leading newspapers such as 'Business Standard', 'The Economic Times' in English, 'Maharashtra Times' 'Sakal' in Marathi all Mumbai editions and in 'Western Times', Gandhinagar edition and are also posted on its website. However, the audited financial results for the year ended 31 March 2011 were published in Business Standard, Mumbai and Western Times, Gandhinagar Edition Hence, they are not separately sent to the shareholders. The Company, however, furnishes the quarterly results on receipt of a request from any shareholder.

INVESTOR GRIEVANCE AND SHAREHOLDER REDRESSAL

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

GENERAL BODY MEETINGS

The date, time and venue of the last three Annual General Meetings are given below in Table 5 .

Table 5: Details of last 3 Annual General Meetings

Financial year	Date	Time	Venue	Resolutions passed
2007-08	29 September 2008	11.00 A.M.	Textiles Committee Auditorium P Balu Road, Prabhadevi Chowk Prabhadevi, Mumbai 400025	1. Re-appointment of three Whole-time Directors of the Company viz. Mr. Ashok B. Jiwrajka, Mr. Dilip B. Jiwrajka and Mr. Surendra B. Jiwrajka. 2. Increase of remuneration of three relatives of Whole-time Directors of the Company.
2008-09	25 September 2009	11.00 A.M.	Textiles Committee Auditorium, P Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai 400025	1. Re-appointment of Mr. Chandrakumar Bubna as a Whole Time Director of the Company.
2009-10	17 September 2010	12.00 noon	17/5/1 & 521/1, Rakholi / Saily, Silvassa – 396230, Union Territory of Dadra and Nagar Haveli.	1. Increase of remuneration of a relative of Whole time Director of the Company.

The resolutions mentioned in table 5 were taken up in the last three AGMs, and were passed with requisite majority.

No Extra Ordinary General Meeting of the shareholders were held during the year.

POSTAL BALLOTS

A Postal Ballot was conducted on one occasion pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 for obtaining the consent of the Shareholders of the Company for the various special resolutions. The details of resolutions passed through postal ballot during 2010-11 are given below.

Purpose of the Resolutions

- (i) Revision of the conversion price of our outstanding 1% – series B Bonds of Foreign Currency Convertible Bonds aggregating to USD 23.75 million in accordance with the provisions of the Press Note dated February 15, 2010 issued by the Ministry of Finance, Government of India.
- (ii) Grant of Employee Stock Option Plan upto 2,50,00,000 Equity Stock Options to the eligible present and future employees an Directors of the Company in one or more trenches in accordance with the provisions of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

Type of Resolutions: Both the Resolutions were Special Resolutions.

The procedure of the Postal Ballot adopted was as follows:

1. A Postal Ballot Notice dated 11 March 2010 was sent to all the Shareholders along with Postal Ballot Form and the Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 seeking their assent / dissent to the proposed Resolutions.
2. The Board of Directors appointed Mr. Virendra Bhatt, Company Secretary in Practice, as the Scrutiniser for conducting the Postal Ballot exercise.
3. Upon the receipt of the duly filled in Postal Ballot Forms and completion of the scrutiny thereof, the Scrutiniser submitted his report to the Chairman.
4. The Chairman thereafter announced the results of the Postal Ballot on 15 April 2010.

A summary of the results is given below in Table 1

Table 1: Details of results of the Postal Ballot: announced on 15 April 2010

Particulars		No. of Postal Ballot Forms	No. of Shares / Percentage of Shares	Percentage of total Paid up Equity Capital
Resolution No. 1	Valid Postal Ballot Forms Received	286	36,04,25,004/100%	45.751%
	Assent	280	36,04,19,639/99.998%	45.751%
	Dissent	5	3,828/0.001%	-
	Neutral	1	1,537/0.001%	-
Resolution No. 2	Valid Postal Ballot Forms Received	286	36,04,25,004/100%	45.751%
	Assent	254	34,13,40,105/94.705%	43.329%
	Dissent	23	1,90,81,587/5.294%	2.422%
	Neutral	9	3,312/0.001%	-

The above two Resolutions were, accordingly, declared by the Chairman as passed by the requisite majority.

COMPLIANCE

MANDATORY REQUIREMENTS

The company is fully compliant with the applicable mandatory requirements of the revised Clause 49.

NON MANDATORY COMPLIANCE

The details of compliance of the non-mandatory requirements are listed below.

NON EXECUTIVE CHAIRMAN'S OFFICE

The Chairman of the Company is the Executive Chairman; hence, this provision is not applicable.

REMUNERATION COMMITTEE

Details of the composition and function of the Remuneration Committee are given in the section 'Committees of the Board'. The Chairman of the Remuneration Committee was present at the last Annual General Meeting.

SHAREHOLDER RIGHTS – FURNISHING OF QUARTERLY RESULTS

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

AUDIT QUALIFICATIONS

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

REPORT ON CORPORATE GOVERNANCE

WHISTLE-BLOWER POLICY

Alok encourages an open door policy, where employees have access to the Head of Business / Head of Function. In terms of the Company's Code of Conduct, any instance of non-adherence to the Code or any observed unethical behaviour is to be brought to the attention of the immediate reporting authority; the immediate reporting authority has to bring it to the notice of the Code of Conduct's Compliance Officer Mr. K.H. Gopal, President (Corporate Affairs) & Company Secretary is the Compliance Officer for Alok's Code of Conduct. No personnel have been denied access to the Audit Committee.

TRAINING OF BOARD MEMBERS

The Company's Board of Directors consists of professionals with expertise in their respective fields and industry. They endeavour to keep themselves updated with changes in global economy and legislation. They attend various workshops and seminars to keep themselves abreast with the changing business environment.

MECHANISM FOR EVALUATING NON-EXECUTIVE BOARD MEMBERS

The Company has not yet adopted a policy for evaluation of Non-Executive Board Members. Sitting Fees is paid to the Non-Executive Directors currently based on attendance.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

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

SHAREHOLDER'S INFORMATION

ANNUAL GENERAL MEETING

Date : **29 September 2011**

Time : **12.00 noon**

Venue : **17/5/1 & 521/1, Rakholi / Saily, Silvassa - 396230, Union Territory of Dadra & Nagar Haveli.**

FINANCIAL CALENDAR

Financial year: 1 April to 31 March

For the year ended 31 March 2011, results were announced for:

First quarter : Provisional	29 July 2010
Second quarter: Provisional	28 October 2010
Third quarter: Provisional	28 January 2011
Fourth quarter and annual: Provisional	29 April 2011
Annual : Audited	29 July 2011

For the year ending 31 March 2012, results will be announced by:

First quarter : Provisional	on or before July 2011
Second quarter: Provisional	on or before October 2011
Third quarter: Provisional	on or before January 2012
Fourth quarter and annual: Provisional	April 2012
Annual : Audited	June / July 2012

BOOK CLOSURE

The books will be closed from Thursday 22 September 2011 to Thursday 29 September 2011 (both days inclusive) as annual closure for the Annual General Meeting

DIVIDEND PAYMENT

Dividend of Re. 0.25 per equity share will be paid on or after 29 September 2011 (within the statutory time limit of 30 days), subject to approval by the shareholders at the ensuing Annual General Meeting.

LISTING

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

The annual listing fees as prescribed have been paid to BSE and NSE upto 31st March 2012.

Table 1: Company's Stock Exchange codes

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

Non-Convertible Debentures (NCDs)

Sr. No.	Particulars	No. of NCDs	Amount (In Crore)	Stock Code (BSE)	ISIN NO.
1	2000 – 11.50% Secured Redeemable NCDs of ₹ 10,00,000/ – each aggregating to ₹ 200 crore issued and allotted on 29 June 2010 on private placement basis.	700	70.00	ALOK290610A	INE270A07463
		700	70.00	ALOK290610B	INE270A07471
		600	60.00	ALOK290610C	INE270A07489
2	1000 – 8% Redeemable NCDs of ₹10,00,000/ – each aggregating to ₹100 crore issued and allotted on 06 July 2010 on private placement basis.	1000	100.00	ALOK6JUL10	INE270A08164

SHAREHOLDER'S INFORMATION

3	750 – 8% Redeemable NCDs of ₹ 10,00,000/- each aggregating to ₹75 crore issued and allotted on 12 July 2010 on private placement basis.	750	75.00	ALOK12JUL10	INE270A08172
4	750 – 8% Redeemable NCDs of ₹ 10,00,000/- each aggregating to ₹75 crore issued and allotted on 19 July 2010 on private placement basis.	750	75.00	ALOK19JUL10	INE270A08180
5	1000 – 10.75% Secured Redeemable NCDs of RS.10,00,000/- each aggregating to ₹ 100 Crore issued and allotted on 20 October 2010 on private placement basis.	333	33.30	ALOK201010A	INE270A07497
		333	33.30	ALOK201010B	INE270A07505
		334	34.40	ALOK201010C	INE270A07513
6.	2000 – 12.50% Secured Redeemable NCDs of ₹ 10,00,000/- each aggregating to ₹ 200 crore issued and allotted on 4 March 2011 on private placement basis are to be listed with BSE.	670	67.00	Application to be made	INE270A07521
		670	67.00	Application to be made	INE270A07539
		660	66.00	Application to be made	INE270A07547

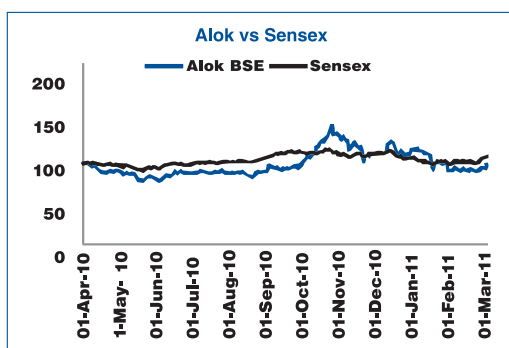
STOCK MARKET DATA

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

Table 2: High, lows and volumes of company's shares for 2010-11 at BSE and NSE

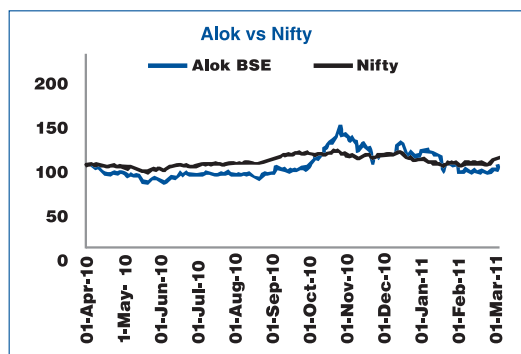
Month	BSE (In ₹ per share)			NSE (In ₹ Per share)		
	High	Low	Volume	High	Low	Volume
Apr-10	23.30	20.00	4,09,14,824	23.25	20.00	7,90,13,036
May-10	22.00	17.75	5,43,63,483	21.60	17.80	5,39,06,941
Jun-10	22.00	17.75	2,86,90,425	21.95	17.80	7,01,16,113
Jul-10	21.00	19.85	2,11,91,799	21.00	19.80	5,45,40,009
Aug-10	21.40	18.60	3,87,77,416	21.40	18.60	8,62,66,477
Sep-10	22.65	18.90	4,76,88,974	24.30	18.90	9,88,83,845
Oct-10	28.40	20.10	14,41,46,614	28.45	21.10	32,83,26,459
Nov-10	35.00	25.30	19,52,40,171	35.00	25.20	55,66,85,899
Dec-10	29.50	20.55	9,44,91,321	29.25	21.90	29,72,50,669
Jan-11	29.50	24.40	8,51,30,246	29.25	24.00	27,11,84,383
Feb-11	26.40	19.90	7,42,71,976	26.40	18.00	22,93,47,260
Mar-11	22.80	20.05	5,02,90,728	23.00	19.05	14,39,07,018

Chart A: Alok Industries's Share Performance versus BSE Sensex



Note: Share price of Alok Industries and BSE Sensex have been indexed to 100 on 1 April 2010

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



Note: Share price of Alok Industries and NSE Nifty have been indexed to 100 on 1 April 2010

DISTRIBUTION OF SHAREHOLDING

Table 3 and 4 lists the distribution of the shareholding of the equity shares of the company by size and by ownership class as on 31 March 2011.

Table 3: Shareholding pattern

Shareholding Class	No of shares held	% of total shares held	No of shareholders	% of total shareholders
Upto 500	30861811	3.92	148169	71.36
501 to 1,000	25760555	3.27	29782	14.34
1,001 to 2,000	23373908	2.97	14605	7.03
2,001 to 3,000	12615769	1.60	4783	2.31
3,001 to 4,000	9053315	1.15	2488	1.20
4,001 to 5,000	10592054	1.34	2202	1.06
5,001 to 10,000	23162450	2.94	3004	1.45
10,001 and above	652378416	82.81	2591	1.25
Total	787798278	100.00	207624	100.00

Table 4: Shareholding Pattern by ownership as on 31 March 2011

CATEGORY	AS ON 31 MARCH 2011	
	TOTAL No. OF SHARES	PERCENTAGE (%)
A. Promoter's Holding		
Promoters		
Indian Promoters	223376351	28.35
Foreign Promoters	---	--
Persons Acting in Concert	--	--
TOTAL(A)	223376351	28.35
B. Non Promoters' Holding		
1. Institutional Investors		
a. Mutual Funds and UTI	2100200	0.27
b. Banks, Financial Institutions, Insurance Companies / Central Governments / State Governments	103574939	13.15
c. FIIs/ FDIs	130225221	16.53
TOTAL(B1)	235900360	29.95

SHAREHOLDER'S INFORMATION

2. Others		
• Private Corporate Bodies	71687538	9.10
• Indian Public	199312913	25.30
• NRIs/ OCBs	6690895	0.85
• Foreign Companies/ HUF	46127759	5.86
• Clearing Members/ Market Maker	4671514	0.59
• Trusts	30948	0.00
TOTAL(B2)	328521567	41.70
TOTAL B (B1+B2)	564421927	71.60
GRAND TOTAL (A+B)	787798278	100.00

REGISTRAR AND TRANSFER AGENT

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

Name and Address of R and T Agent or address of the share dept, as the case may be	LINK INTIME INDIA PRIVATE LIMITED, C-13, Pannalal Silk Mills Compound LBS Marg, Bhandup (West), Mumbai 400078
Tel no.	+91 22 25963838
Fax no.	+91 22 25946969

SHARE TRANSFER SYSTEM

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

DE-MATERILISATION OF SHARES

As on 31 March 2011, 99.85% shares of the company were held in de-materialized form.

There are no legal proceedings against Alok on any share transfer matter. Table 5 gives details about the nature of complaints and their status as on 31 March 2011.

Table 5: Complaints Received and Addressed during 2010-11

Particulars	Complaints				
	Non-Receipt of Certificates	Change of address	Non-receipt of dividend	Others (Non-Receipt of Annual Reports/ Non Receipt of Demat credit, etc.	Total
Received during the year	04	11	306	113	434
Attended during the year	04	11	306	113	434
Pending as on 31 March 2011	NIL	NIL	NIL	NIL	NIL

Outstanding GDRs/ADRs/Warrants

The Company has not issued GDRs/ ADRs/Warrants as of 31 March 2011.

DETAILS OF PUBLIC FUNDING OBTAINED IN THE LAST THREE YEARS

2008-09

On 28 April 2008, the Company issued and allotted 9,800,000 Equity Shares of ₹ 10.00 each at a premium of ₹ 92.00 per share on conversion of Warrants into equity shares to the promoter group on a preferential allotment basis. After the issue, the total paid-up equity capital of the Company became 196,974,969 Equity Shares of ₹ 10.00 each.

2009-10

On 5 May 2009, the Company issued and allotted 244,719,930 Equity Shares of ₹ 10.00 each at a premium of ₹ 1.00 per share to the existing shareholders of the Company on rights basis and also issued and allotted 164,003,131 partly paid up

SHAREHOLDER'S INFORMATION

equity shares (paid upto the extent of ₹ 6.00 per share i.e. Face Value ₹ 5.00 and Premium – Re.1.00) to the existing equity shareholders of the company on rights basis in the ratio of 83 rights equity shares for every 40 equity shares held on the Record Date i.e. 25 March 2009. After the issue, the total paid-up equity capital of the Company became 605,698,030 Equity Shares of ₹ 10.00 each..

On 30 March, 2010, the Company issued and allotted 182,100,248 Equity Shares of ₹ 10.00 each at a premium of ₹ 13.32 per share to Qualified Institutional Buyers in terms of Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. After the issue, the total paid-up equity capital of the Company became 787,798,278 Equity Shares of ₹ 10.00 each.

2010-11

NIL

Table 6: Details of public funding obtained during the last three years and its implication on paid up Equity ShareCapital

Financial Year	Amt. Raised through Public Funding	Effect on Paid up equity Share Capital
2008-09	9,800,000 Equity Shares of ₹ 10.00 each, at a premium of ₹ 92.00 per share to the promoter group on conversion of warrants into equity shares.	After the conversion of Warrants into equity shares, the total paid-up capital of the Company increased from 187,174,969 Equity Shares of ₹ 10.00 each to 196,974,969 Equity Shares of ₹ 10.00 each
2009-10	i. 408,723,061 Equity Shares of ₹ 10.00 each at a premium of Re. 1.00 per share to the existing shares of the Company on Rights basis. ii. 182,100,248 Equity Shares of ₹ 10.00 each at a premium of ₹ 13.32 per share to Qualified Institutional Buyers (QIBs).	After the Rights issue of equity shares and Qualified Institutional Placement Issue, the total paid-up equity capital of the Company became 787,798,278 Equity Shares of ₹ 10.00 each
2010-2011	NIL	NIL

During the year under review, the Company forfeited 13,921 partly paid rights equity shares held by 83 shareholders for non payment of allotment money of ₹ 5/- and interest due thereon. Consequent to the forfeiture of Rights shares the Company's equity share capital as on 31 March 2011 stands at ₹ 787.78 crore divided into 787,784,357 fully paid equity shares of ₹ 10/- each.

As on 31 March 2011, 68.24% of the promoters' holding have been pledged with FIIs, MFs and other lenders as part of loan conditions. This represents a sum total of 152,427,640 equity shares (19.35 % of the total equity of the Company).

Plant Locations

Spinning	□ 412, Saily, Silvassa, Union Territory of Dadra & Nagar Haveli
Weaving	□ Babla Compound, Kalyan Road, Dist. Bhiwandi, Thane □ 17/5/1 and 521/1, Rakholi / Saily, Silvassa, Union Territory of Dadra & Nagar Haveli □ 209/1 and 209/4, Silvassa, Village Dadra, Union Territory of Dadra & Nagar Haveli
Knitting	□ 412, Saily, Silvassa, Union Territory of Dadra & Nagar Haveli
Processing	□ C-16/2, Pawane, TTC Industrial Area, MIDC, Navi Mumbai, Dist. Thane □ 261/ 268, Balitha, Taluka Pardi, Dist. Valsad, Gujarat □ 254, Balitha, Taluka Pardi, Dist. Valsad, Gujarat
Garments	□ 374/2/2, Saily, Silvassa, Union Territory of Dadra & Nagar Haveli □ 17/5/1, Rakholi, Silvassa, Union Territory of Dadra & Nagar Haveli □ 273/1/1, Hingraj Industrial Estate, Atiawad, Daman
Made ups	□ 374/2/2, Saily, Silvassa, Union Territory of Dadra & Nagar Haveli □ 149/150, Morai, Taluka Pardi, Dist. Valsad, Gujarat
POY/ Texturising	□ 521/1, Saily, Silvassa, Union Territory of Dadra & Nagar Haveli
Hemming	□ 103/2, Rakholi, Silvassa, Union Territory of Dadra & Nagar Haveli
Continuous Polymerization Plant	□ 17/5/1 and 521/1, Rakholi / Saily, Silvassa, Union Territory of Dadra & Nagar Haveli
Terry Towel Unit	□ 263/P1 and 251/2P1, Balitha, Taluka Pardi, Dist. Valsad, Gujarat
Packing Unit	□ 87/1/1/1 and 97/1, Falandi, Silvassa, Union Territory of Dadra & Nagar Haveli

SHAREHOLDER'S INFORMATION

INVESTOR CORRESPONDENCE ADDRESS

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

COMPLIANCE OFFICER FOR INVESTOR REDRESSAL

K.H. Gopal

President (Corporate Affairs) & Company Secretary

Alok Industries Limited

Peninsula Towers 'A', Peninsula Corporate Park,

GK Marg, Lower Parel

Mumbai 400013

E-mail: gopal@alokind.com

Website: www.alokind.com

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The Notes to the Notice details the due dates on which unclaimed dividends lying in the unpaid dividend accounts of the Company would be credited to the IEPF. Investors are requested to claim their unclaimed dividends before these due dates. Pursuant to Section 205C of the Companies Act, 1956 and the IEPF (Awareness and Protection of Investors) Rules, 2001, a sum of ₹ 556,478.00, being the unclaimed dividend for the year 2002-03, has been credited to the IEPF.

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGES

To,

The Members

ALOK INDUSTRIES LIMITED

We have examined the compliance of the conditions of Corporate Governance by Alok Industries Limited, for the year ended 31 March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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 in all material respect with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For Deloitte Haskins & Sells

Chartered Accountants

[Firm Registration No. 117366W]

For Gandhi & Parekh

Chartered Accountants

[Firm Registration No.120318W]

R D. Kamat

Partner

Membership No.36822

Devang B. Parekh

Partner

Membership No.105789

Place: Mumbai

Date: 29 August 2011

COMPANY SECRETARIAL COMPLIANCE CERTIFICATE

To,
The Board of Directors,

ALOK INDUSTRIES LIMITED

I have examined the registers, records, books and papers of **ALOK INDUSTRIES LIMITED** as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31 March 2011 (Financial Year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, I am of opinion that in respect of the aforesaid financial year.

1. The Company has kept and maintained all the registers as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded, subject to reconciliation with the Books of Accounts.
2. The Company has duly filed the forms and returns with the authorities prescribed under the Act and rules made thereunder.
3. The Board of Directors duly met four times in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
4. The Annual General Meeting for the financial year ended on 31 March 2010 was held on 17 September 2010 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
5. The Company has paid / posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration of dividend.
6. The Company has appointed Link Intime India Private Limited, as Share Transfer Agent who has duly informed me that the Company has delivered all the certificates on allotment of securities and on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
7. The Company has passed the following Resolutions during the financial year through the Postal Ballot conducted under section 192A of the Companies Act, 1956.

Special Resolutions passed on 15 April 2010

- (i) Revision of the conversion price of our outstanding 1% – series B Bonds of Foreign Currency Convertible Bonds aggregating to USD 23.75 million in accordance with the provisions of the Press Note dated February 15, 2010 issued by the Ministry of Finance, Government of India.
 - (ii) Grant of Employee Stock Option Plan upto 2,50,00,000 Equity Stock Options to the eligible present and future employees and Directors of the Company in one or more tranches in accordance with the provisions of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
All the procedures with regard to scrutiny and presentation of the postal ballot report has been complied as per Section 192A of the Companies Act, 1956.
8. The Board of Directors of the company is duly constituted. There was no appointment of additional director, director to fill in casual vacancy, alternate director but there was appointment of one Nominee Director as well as resignation of one Nominee Director during the financial year.
 9. During the financial year, the Registered Office of the Company was shifted from “B – 43, Mittal Tower, Nariman Point, Mumbai – 400 021, Maharashtra” to “17/5/1 & 521/1, Rakholi / Saily, Silvassa – 396 230, Union Territory of Dadra & Nagar Haveli”, effective from 25 June 2010 pursuant to an order passed by the Company Law Board.
 10. The Company has altered the Clause No.II of the Memorandum of Association in respect of shift of the registered office of the Company from the State of Maharashtra to Silvassa, in the Union Territory of Dadra & Nagar Haveli.
 11. The Company had constituted the Audit Committee required as per Section 292A of the Act.
 12. The Company has appointed Cost Auditors under Section 233B of the Act.

Virendra Bhatt
Practising Company Secretary
ACS 1157 /CP 12

Place: Mumbai
Dated: 29 July 2011

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We, Dilip B. Jiwrajka, Managing Director and Sunil O. Khandelwal, 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 year ended 31 March 2011 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 year 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 year;
 - (ii) significant changes in accounting policies during the year 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 : 29 July 2011

Dilip B. Jiwrajka
Managing Director

Sunil O. Khandelwal
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 year ended 31 March 2011.

Place : Mumbai
Date : 29 July 2011

Dilip B. Jiwrajka
Managing Director

AUDITORS' REPORT

TO THE MEMBERS OF

ALOK INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of **ALOK INDUSTRIES LIMITED** ("the Company") as at 31 March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and;
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31 March, 2011 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **Deloitte Haskins & Sells**
Chartered Accountants
[Firm Registration No : 117366W]

R. D. Kamat
Partner
Membership No 36822

Mumbai, 29 July 2011

For **Gandhi & Parekh**
Chartered Accountants
[Firm Registration No : 120318W]

Devang B. Parekh
Partner
Membership No 105789

Mumbai, 29 July 2011

Re: Alok Industries Limited

Referred to in paragraph 3 of our report of even date

- (i) In respect of fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) According to the information and explanations given to us, considering the nature of fixed assets, physical verification of major portion of fixed assets as at 31 March 2011 was conducted by the management during the year, which is reasonable having regard to the size of the company and nature of its business and no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company.
- (ii) In respect of inventories:
- (a) As explained to us, inventories (except stocks lying with third parties and in-transit, confirmation / subsequent receipt have been obtained in respect of such inventory) have been physically verified during the year by the management, at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
- (a) The Company has granted loans to a party during the year. At the year-end, the outstanding balance of such loan was Nil and the maximum amount outstanding during the year was ₹ 59.12 crore.
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interest of the Company.
 - (c) The receipt of principal amounts and interest is on demand and on that basis, the same is regular.
 - (d) There is no overdue amount in excess of ₹ 1 lakh since the same is recoverable on demand.
The Company has not taken loans, secured or unsecured from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956 and accordingly, clause (iii) (e) to (g) of CARO are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956:
- (a) To the best of our knowledge and belief and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the register, have been so entered.
 - (b) Where each of such transaction is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. 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.

ANNEXURE TO THE AUDITORS' REPORT

- (vii) In our opinion, the internal audit functions carried out during the year by firms of Chartered Accountants appointed by the Management have been commensurate with the size of the company and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of Textile and Polyester products manufactured by the Company and are of the opinion, that *prima facie*, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.
- (ix) According to the information and explanation given to us in respect of statutory dues:
- the company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Profession Tax, Works contracts tax, Maharashtra Labour Welfare fund Cess and other statutory dues with the appropriate authorities during the year, except for service tax dues aggregating to ₹ 0.50 crore including interest of ₹ 0.02 crore, which has been paid subsequent to year end.
 - there are no undisputed amounts payable in respect of Income-tax, Wealth-tax, Customs Duty, Excise Duty, Sales Tax, Service Tax, Cess and other statutory dues in arrears as at 31 March 2011 for a period of more than six months from the date they became payable, except for service tax under Finance Act, 1994 based on reverse charge mechanism of ₹. 1.33 crore and ₹ 2.94 crore (including interest) (aggregating to ₹ 4.27 crore) pertaining to the years ended 2008 and 2009 respectively due on various dates, quantified based on internal assessment done by the management and which has been deposited with the statutory authorities on 11 July 2011.
 - there are no dues in respect of Sales Tax, income Tax, Wealth tax, Customs Duty and Cess that have not been deposited as on 31 March 2011 on account of disputes, except as follows :

Name of the statute	Nature of dues	Amount (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961 *	Income tax demand (TDS dues)	5.91	AY 2006-07 to 2009-10	Commissioner of Income Tax (Appeals)
Works Contract Tax Act, 1986	Works Contract Tax	0.59	FY 2004-05	Deputy Commissioner of Sales Tax

* Refer note 1 (F)(a) of part B of Schedule 19 to the financial statements.

- The company neither has accumulated losses at the end of the year, nor incurred cash losses during the current and immediately preceding financial year.
- In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.
- According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and any other securities. Accordingly, clause 4 (xii) of the order is not applicable to the company.
- In our opinion and according to the information and explanations given to us, the company is not a chit fund or a nidhi/ mutual benefit fund/society. Accordingly clause 4 (xiii) of the order is not applicable to the company.
- In our opinion and according to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures or investments. Accordingly clause 4 (xiv) of the order is not applicable to the Company.
- In our opinion and according to the explanation given to us, the terms and conditions of the guarantees given by the company for loans taken by subsidiary company from banks and financial institutions are not *prima facie* prejudicial to the interests of the Company.
- On the basis on records examined by us, and relying on the information compiled by the Company for co-relating the funds raised to the end use of term loans, we have to state that, the company has, *prima-facie*, applied the term loans for the purpose for which they were obtained, other than amounts temporarily invested pending utilisation of the funds for the intended use.

ANNEXURE TO THE AUDITORS' REPORT

- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long – term investment.
- (xviii) The company has not made preferential allotment of shares to parties and companies covered in Register maintained under section 301 of the Companies Act, 1956. Accordingly clause 4 (xviii) of the order is not applicable to the Company.
- (xix) Security / Charges have been created in respect of debentures issued as detailed in Note No 1 of schedule 3 of the Balance Sheet.
- (xx) The Management has disclosed the end use of money raised Qualified Institutional Placements. We have verified the same from the letter of offer filed with Securities Exchange Board of India and as disclosed in Notes to accounts (refer note 5 of part B of Schedule 19).
- (xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
[Firm Registration No : 117366W]

R. D. Kamat
Partner
Membership No 36822

Mumbai, 29 July 2011

For **Gandhi & Parekh**
Chartered Accountants
[Firm Registration No : 120318W]

Devang B. Parekh
Partner
Membership No 105789

Mumbai, 29 July 2011

BALANCE SHEET AS AT 31 MARCH 2011

(₹ Crore)

PARTICULARS	SCHEDULE NO.	AS AT 31.03.2011	AS AT 31.03.2010
I SOURCES OF FUNDS			
(I) Shareholder's Funds			
(a) Capital	1	787.79	787.79
(b) Reserves and Surplus	2	2,309.80	1,928.40
		3,097.59	2,716.19
(2) Loan Funds			
(a) Secured Loans	3	8,726.40	8,086.66
(b) Unsecured Loans	4	927.17	423.02
		9,653.57	8,509.68
(3) Foreign Currency Monetary Item Translation Difference Account		0.22	-
(4) Deferred Tax Liability (net) (Refer Note No. 8 of part B of Schedule 19)		507.66	406.98
Total		13,259.04	11,632.85
II APPLICATION OF FUNDS			
(1) Fixed Assets			
(a) Gross Block	5	9,014.33	7,276.36
(b) Less : Depreciation / Amortisation		1,587.12	1,070.50
(c) Net Block		7,427.21	6,205.86
(d) Capital Work-in-Progress	6	1,061.20	939.25
		8,488.41	7,145.11
(2) Investments	7	167.18	229.69
(3) Foreign Currency Monetary Item Translation Difference Account		-	0.17
(4) Current Assets, Loans and Advances			
(a) Inventories	8	2,002.62	1,474.41
(b) Sundry Debtors	9	1,740.20	1,101.23
(c) Cash and Bank Balances	10	1,141.21	1,390.29
(d) Loans and Advances	11	727.52	835.95
		5,611.55	4,801.88
Less : Current Liabilities and Provisions			
(a) Current Liabilities	12	929.84	488.93
(b) Provisions	13	78.26	55.07
		1008.10	544.00
Net Current Assets		4,603.45	4,257.88
Total		13,259.04	11,632.85
Significant Accounting Policies and Notes to Accounts	19		

In terms of our report attached

For Deloitte Haskins & Sells **For Gandhi & Parekh**
Chartered Accountants Chartered Accountants

R. D. Kamat **Devang B. Parekh**
Partner Partner

For and on behalf of the Board

Ashok B. Jiwarajka Executive Chairman
Dilip B. Jiwarajka Managing Director
Surendra B. Jiwarajka Jt. Managing Director
Sunil O. Khandelwal Chief Financial Officer
K. H. Gopal President (Corporate Affairs) & Company Secretary

Mumbai: 29 July 2011

Mumbai: 29 July 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2011

(₹ Crore)

PARTICULARS	SCHEDULE NO.	Year Ended 31.03.2011	Year Ended 31.03.2010
INCOME			
Sales (inclusive of excise duty)	14	6,488.14	4,371.42
Less : Excise duty		112.48	71.64
		6,375.66	4,299.78
Job Work Charges Collected		12.77	11.39
(Tax deducted at source ₹ 0.26 crore [Previous year ₹ 0.25 crore])			
		6,388.43	4,311.17
Other Income	15	6.44	64.02
Increase in Stocks of Finished Goods and Process Stock	16	222.55	333.82
		6,617.42	4,709.01
EXPENDITURE			
Purchase of Traded Goods		342.62	398.46
Manufacturing and Other Expenses	17	4,518.45	3,038.07
Interest (net)	18	654.37	535.08
Depreciation / Amortisation		518.79	362.61
PROFIT BEFORE TAX		583.19	374.79
Provision for Tax - Current tax		(120.57)	(63.56)
- MAT credit entitlement		42.25	34.26
- Deferred Tax		(100.68)	(99.01)
Excess provision for Income Tax in respect of earlier years		0.17	0.86
NET PROFIT FOR THE YEAR		404.36	247.34
Add: Balance brought forward from previous year		180.91	276.63
AMOUNT AVAILABLE FOR APPROPRIATION		585.27	523.97
APPROPRIATIONS			
Less: Transfer from/(to) Debenture Redemption Reserve		384.30	(300.10)
Transfer to General Reserve		(25.00)	(20.00)
Proposed Dividend - Equity Shares		(19.69)	(19.69)
Corporate Dividend Tax thereon		(3.27)	(3.27)
BALANCE CARRIED TO BALANCE SHEET		921.61	180.91
EARNINGS PER SHARE (in ₹)			
Basic & Diluted		5.13	4.58
(Refer Note No.9 of Part B of Schedule 19)			
Significant Accounting Policies and Notes to Accounts	19		

In terms of our report attached

For Deloitte Haskins & Sells **For Gandhi & Parekh**
Chartered Accountants Chartered Accountants

R. D. Kamat **Devang B. Parekh**
Partner Partner

For and on behalf of the Board

Ashok B. Jiwrajka Executive Chairman
Dilip B. Jiwrajka Managing Director
Surendra B. Jiwrajka Jt. Managing Director
Sunil O. Khandelwal Chief Financial Officer
K. H. Gopal President (Corporate Affairs) & Company Secretary

Mumbai: 29 July 2011

Mumbai: 29 July 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

(₹ Crore)

PARTICULARS	Year Ended 31.03.2011	Year Ended 31.03.2010
A] Cash Flow from Operating Activities		
Net Profit Before Tax	583.19	374.79
Adjustments for		
Depreciation / Amortisation	518.79	362.61
Loss by Fire	-	37.91
Dividend Income	(2.37)	(1.02)
Interest Paid (net)	654.37	535.08
Loss / (Profit) on sale of fixed assets (net)	1.74	(1.60)
Profit on sale of Current Investments (net)	(1.16)	(0.66)
Operating Profit before working capital changes	1,754.56	1,307.11
Adjustments for		
Increase in Inventories	(528.21)	(530.57)
Increase in Trade Receivables	(638.96)	(217.04)
Decrease/(Increase) in Loans and Advances	148.61	(328.82)
Increase in Current Liabilities	517.32	1.11
Cash Generated from Operations	1,253.32	231.79
Income Taxes Paid	(117.85)	(47.23)
Net Cash Generated from operating activities	1,135.47	184.56
B] Cash Flow from Investing Activities		
Purchase of fixed assets	(1,858.84)	(1,524.56)
Sale of fixed assets	1.76	2.33
Purchase of Investments	(131.15)	(567.85)
Sale of Investments	194.82	817.40
Fixed Deposits & Margin Money Deposits placed	(314.67)	(649.52)
Dividends received	2.37	1.02
Interest received	34.65	13.45
Inter Corporate Deposits Refunded (Net)	2.45	1.25
Net cash used in Investing Activities	(2,068.61)	(1,906.48)
C] Cash Flow from Financing Activities		
Proceeds from issue of Equity Share Capital (including premium) (Net)	-	736.74
Proceeds from Term borrowings	3,144.23	3,145.92
Repayment of Term borrowing	(2,047.10)	(1,826.15)
Proceeds from other borrowings (Net)	47.15	604.58
Dividend Paid (Including Tax thereon)	(22.96)	(17.28)
Interest Paid (Net)	(751.93)	(526.06)
Net cash generated from Financing Activities	369.39	2,117.75
Net Increase in Cash and Cash equivalents (A+B+C)	(563.75)	395.83
Cash and Cash equivalents at the beginning of the year	673.40	277.57
Cash and Cash equivalents at the end of the year	109.65	673.40

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

NOTES TO CASH FLOW STATEMENT

1. Cash and Cash equivalents includes :	March 31, 2011 (₹ Crore)	March 31, 2010 (₹ Crore)
Cash and Bank Balances	1,141.21	1,390.29
Less: Margin Money Deposits *	132.87	115.69
Less : Fixed Deposit Pledged *	845.45	444.00
Less : Deposit with maturity period of more than 3 months **	53.24	157.20
Total Cash and Cash equivalents	109.65	673.40

* Margin money and fixed deposit pledged being restricted for its use have been excluded from cash and cash equivalent and grouped under the investment activity.

** Fixed Deposits with maturity period of more than three months have been excluded from cash and cash equivalent and grouped under the investment activity.

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

In terms of our report attached

For Deloitte Haskins & Sells **For Gandhi & Parekh**
Chartered Accountants Chartered Accountants

R. D. Kamat **Devang B. Parekh**
Partner Partner

Mumbai: 29 July 2011

For and on behalf of the Board

Ashok B. Jiwarajka Executive Chairman
Dilip B. Jiwarajka Managing Director
Surendra B. Jiwarajka Jt. Managing Director
Sunil O. Khandelwal Chief Financial Officer
K. H. Gopal President (Corporate Affairs) &
Company Secretary

Mumbai: 29 July 2011

SCHEDULES

(₹ Crore)

PARTICULARS		AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE '1'			
CAPITAL			
Authorised:			
90,00,00,000(Previous Year 90,00,00,000)Equity shares of ₹10/- each		900.00	900.00
Total		<u>900.00</u>	<u>900.00</u>
Issued and Subscribed :			
Equity Share Capital			
78,77,84,357 (Previous Year 78,77,98,278) Equity shares of ₹10/- each fully paid up	787.78		787.80
Add: Forfeited Shares (13,921 shares of ₹ 10/- each ₹ 5/- paid up)	0.01		-
Less : Calls in Arrears (Nil (Previous Year 22,316) Shares of ₹ 10/- each ₹ 5/- paid up)	-		(0.01)
		<u>787.79</u>	
Total		<u>787.79</u>	<u>787.79</u>

NOTES:

- a) During the year ended 31 March 2010, 59,08,23,309 equity shares are issued as under:
- i] 40,87,23,061 Equity Shares of ₹10/- are issued at a premium aggregating to ₹ 40.87 crore on Rights basis in the ratio of 83 Rights Equity Shares for every 40 Equity Shares held.
 - ii] 18,21,00,248 Equity Shares of ₹10/- issued at a premium aggregating to ₹ 242.56 crore in Qualified Institutional Placements (QIP).
- b) Of the above shares :
- i] 7,45,396 equity shares were allotted as Bonus shares by way of capitalisation of General Reserve.
 - ii] 62,550 equity shares being forfeited shares were reissued during 2001.

(₹ Crore)

PARTICULARS		AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE '2'			
RESERVES AND SURPLUS			
Capital Reserve			
Balance as per last Balance Sheet		10.23	0.03
Add : Share warrants forfeited		-	10.20
		<u>10.23</u>	<u>10.23</u>
Capital Redemption Reserve			
Balance as per last Balance Sheet		2.20	2.20
Securities premium account			
Balance as per last Balance Sheet	880.39		596.96
Add : Received during the year	-		283.43
		<u>880.39</u>	<u>880.39</u>
General Reserve			
Balance as per last Balance Sheet	249.99		229.99
Add: Transferred from Profit and Loss Account	25.00		20.00
		<u>274.99</u>	<u>249.99</u>
Debenture Redemption Reserve			
Balance as per last Balance Sheet	604.68		304.58
(Less)/Add: Transferred (to) / from Profit and Loss Account	<u>(384.30)</u>		<u>300.10</u>
		<u>220.38</u>	<u>604.68</u>
Surplus in Profit and Loss Account		<u>921.61</u>	<u>180.91</u>
Total		<u>2,309.80</u>	<u>1,928.40</u>

(₹ Crore)

PARTICULARS		AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE '3'			
SECURED LOANS			
a. Debentures (see note 1 below)			
12.50% Redeemable Non Convertible Debentures	200.00		-
11.50% Redeemable Non convertible Debentures	200.00		-
11.00% Redeemable Non Convertible Debentures	-		300.00
10.75% Redeemable Non convertible Debentures	100.00		-
8.00% Redeemable Non convertible Debentures	250.00		100.00
7.30% Redeemable Non convertible Debentures	-		500.00
		750.00	900.00
b. Term Loans (see note 2 below)			
(1) From Financial Institutions			
- Rupee Loans	158.91		106.19
- Foreign Currency Loans	248.65		184.25
	407.56		290.44
(2) From Banks			
- Rupee Loans	6,146.47		5,395.13
- Foreign Currency Loans	545.54		653.00
	6,692.01		6,048.13
		7,099.57	6,338.57
c. From Banks on Cash Credit Accounts, Working capital demand loans etc (See note 3 below)		868.96	843.78
[Including ₹ 469.42 crore loan in foreign currency (previous year ₹ 352.44 crore)]			
d. Vehicle loan from Banks (See note 4 below)		7.87	4.31
Total		8,726.40	8,086.66

NOTES:

- 1 a) Debentures outstanding at the year end are redeemable as follows

Particulars	Nos	Amount (₹ Crore)	Date of redemption
8.00% Redeemable Non convertible Debentures of ₹ 10,00,000/-each	1000	100.00	6-Jul-11
8.00% Redeemable Non convertible Debentures of ₹ 10,00,000/-each	750	75.00	12-Jul-11
8.00% Redeemable Non convertible Debentures of ₹ 10,00,000/-each	750	75.00	19-Jul-11
10.75% Redeemable Non convertible Debentures of ₹ 10,00,000/-each	333	33.30	20-Oct-16
10.75% Redeemable Non convertible Debentures of ₹ 10,00,000/-each	333	33.30	20-Oct-17
10.75% Redeemable Non convertible Debentures of ₹ 10,00,000/-each	334	33.40	20-Oct-18
11.50% Redeemable Non convertible Debentures of ₹ 10,00,000/-each	700	70.00	28-Jun-14
11.50% Redeemable Non convertible Debentures of ₹ 10,00,000/-each	700	70.00	28-Jun-15
11.50% Redeemable Non convertible Debentures of ₹ 10,00,000/-each	600	60.00	28-Jun-16
12.50% Redeemable Non convertible Debentures of ₹ 10,00,000/-each	667	66.70	3-Mar-15
12.50% Redeemable Non convertible Debentures of ₹ 10,00,000/-each	667	66.70	3-Mar-16
12.50% Redeemable Non convertible Debentures of ₹ 10,00,000/-each	666	66.60	3-Mar-17
Total		750.00	

- b) All the debentures in a) above are secured by pari passu charge on the immovable property situated at Mouje Irana, Taluka Kadi, District Mehsana in the state of Gujarat
- c) The debentures of ₹ 500 crore in a) above are secured by subservient charge on fixed and current assets of the Company (excluding Land and Building).

SCHEDULES

2 Term loans are secured as under :

- a) Term loans from financial institutions and from banks (Including foreign currency loans) to the extent of ₹ 106.92 crore (previous year ₹ 139.38 crore) and ₹ 2,492.99 crore (previous year ₹ 2,770.24 crore) respectively, are secured by (i) a pari passu first charge created/to be created on all present and future movable and immovable assets of the company subject to exclusive charges created/to be created on specific fixed assets in favour of specified lenders. (ii) a charge created/ to be created on all current assets of the company subject to a prior charge on such current assets created/to be created in favour of the company's bankers towards working capital requirements and (iii) the personal guarantees of three promoter directors.
- b) Term loan from banks to the extent of ₹ 647.66 crore (previous year ₹ 259.77 crore) is secured by (i) an exclusive charge created on specific assets financed by them and (ii) the personal guarantees of three promoter directors.
- c) Term loans from the Banks and Financial Institutions to the extent of ₹ 118.97 crore (previous year ₹ 204.19 crore) and ₹ 189.00 crore (previous year ₹ 38.22 crore) respectively, are secured by (i) subservient charge on all movable assets of the Company present and future subject to prior charge on specific movable assets in favour of the company's term lenders and towards working capital requirements (ii) the personal guarantee of three Promoter Directors of the Company.
- d) Term loans from the Banks to the extent of ₹ 9.58 crore (previous year ₹ 13.20 crore) are secured by (i) subservient charge on all assets of the Company excluding Land and Building (ii) Pledge of company's investment in a subsidiary viz. Alok Industries International Limited (ii) the personal guarantee of three Promoter Directors of the Company.
- e) Term loan from the Bank to the extent of ₹ 3,422.81 crore (previous year ₹ 2,800.72 crore), are secured by subservient charge on all present and future moveable fixed assets, stocks and receivables of the Company subject to prior charge in favour of the company's term lenders and working capital bankers.
- f) Term loan from Financial Institution of ₹ 111.64 crore (previous year ₹ 112.85 crore) is secured by (i) subservient charge on all the present and future moveable fixed assets of the company except land and building

- 3 Working Capital limits from banks are secured by (i) hypothecation of Company's current assets (ii) second /subservient charge created / to be created on the fixed assets of the Company (iii) immovable properties belonging to the Company / Guarantors and (iv) the personal guarantees of three promoter directors of the Company.

- 4 Vehicle loans are secured by vehicles under hypothecation with banks against such loans taken.

(₹ Crore)

PARTICULARS		AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE '4'			
UNSECURED LOANS			
(a) Term Loans and Advances			
From Banks and Financial Institutions			
- Rupee Loans	814.95		193.00
- Foreign currency loans	112.22		122.81
		927.17	315.81
(b) Nil (Previous year 475) 1% Foreign Currency Convertible Bonds (FCCBs)		-	107.21
Total		927.17	423.02

NOTES:

1. Term loan from banks

- a. Includes commercial paper of ₹ 720 crore (Previous year ₹ Nil) maximum amount outstanding at any time during the year ₹ 915 crore (Previous year ₹ Nil).
- b. Term Loan from banks To the extent of ₹ 44.95 crore (Previous year ₹ 40.00 crore) are secured by Personal Guarantee of three Promoter Directors.

Schedule '5'
FIXED ASSETS

SCHEDULES

		GROSS BLOCK				DEPRECIATION/ AMORTISATION			NET BLOCK		
Sr No.	DESCRIPTION OF ASSETS	As at 01.04.10	ADDITIONS	DEDUCTIONS / ADJUSTMENTS	As at 31.03.11	As at 01.04.10	FOR THE YEAR	DEDUCTIONS / ADJUSTMENTS	As at 31.03.11	As at 31.03.11	As at 31.03.10
OWN ASSETS											
1	Freehold Land	75.38	24.05	-	99.43	-	-	-	-	99.43	75.38
2	Leasehold Land	0.56	-	-	0.56	0.13	0.00	-	0.13*	0.43	0.43
3	Buildings	1,628.26	268.18	-	1,896.44	114.46	51.42	(0.00)	165.88	1,730.56	1,513.80
4	Office Premises	26.54	-	-	26.54	2.27	0.43	-	2.70	23.84	24.27
5	Plant and Machinery	5,316.52	1,422.22	4.77	6,733.97	896.73	444.66	1.86	1,339.53	5,394.44	4,419.79
6	Computer and Peripherals	25.31	2.36	-	27.67	13.83	3.46	-	17.29	10.38	11.48
7	Office Equipment	8.66	1.02	0.07	9.61	2.29	0.82	0.02	3.09	6.52	6.37
8	Furniture and Fittings	70.41	5.51	-	75.92	13.42	4.53	-	17.95	57.97	56.99
9	Vehicles	8.32	11.43	0.81	18.94	2.69	1.33	0.29	3.73	15.21	5.63
10	Tools and Equipment	49.21	6.66	-	55.87	6.50	3.86	-	10.36	45.51	42.71
Sub - Total		7,209.17	1,741.43	5.65	8,944.95	1,052.32	510.51	2.17	1,560.66	7,384.29	6,156.85
INTANGIBLE ASSETS											
1	Computer Software	12.15	2.19	-	14.34	3.05	2.78	-	5.83	8.51	9.10
2	Trademarks / Brands	55.04	-	-	55.04	15.13	5.50	-	20.63	34.41	39.91
Sub - Total		67.19	2.19	-	69.38	18.18	8.28	-	26.46	42.92	49.01
Total		7,276.36	1,743.62	5.65	9,014.33	1,070.50	518.79	2.17	1,587.12	7,427.21	6,205.86
Total Previous Year		4,534.44	2,743.61	1.69	7,276.36	708.85	362.61	0.96	1,070.50	6,205.86	

Notes:

1. Plant & Machinery includes loss of ₹ 15.96 crore (previous year gain of ₹ 75 crore) in liability payable in foreign currency consequent upon changes in the exchange rates.
2. Intangible assets consists of Trade Marks / Brands aggregating to ₹ 55.04 crore (previous year ₹ 55.04 crore) (Gross) [Written down value ₹ 34.41 crore (previous year ₹ 39.91 crore)], which are registered in the name of subsidiary company in trust on behalf of the company. The company has applied for registering those Trademarks / Brands in it's name with concerned authorities and is awaiting registration.
3. Additions to plant & Machinery includes interest capitalised ₹ 36.08 crore (Previous year ₹ 83.92 crore).

* Amount written off in respect of Leasehold Land for the period of Lease which has expired.

SCHEDULES

(₹ Crore)

PARTICULARS		AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE '6'			
CAPITAL WORK IN PROGRESS			
Capital Expenditure On Projects		906.55	850.14
Advance For Capital Expenditure		154.65	89.11
Total		1,061.20	939.25

Capital expenditure incurred on Projects include :

- ₹ 12.74 crore (Previous year ₹ 39.11 crore) on account of pre-operative expenses (Refer Note No. 7 of part B of schedule 19)
- ₹ 893.81 crore (Previous year ₹ 811.03 crore) on account of cost of construction material and plant and machinery under erection. This amount include exchange loss of ₹ 7.52 crore (previous year ₹ Nil) and interest capitalised of ₹ 50.73 crore (previous year ₹ 37.75 crore)

(₹ Crore)

PARTICULARS		AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE '7'			
INVESTMENTS			
A) LONG TERM INVESTMENTS (At cost / carrying amount unless otherwise stated) - fully paid			
In Equity shares			
In Subsidiary Companies - Unquoted			
Alok Inc.	0.04		0.04
(50 Equity Shares of USD 200 each)			
Alok Industries International Limited	0.22		0.22
[50,000 Equity Shares of USD 1 each]			
(Pledged against finance availed from Axis Bank)			
Alok International Inc. (₹ 43,225/-)	0.00		0.00
[1,000 Equity Shares of USD 1/- each]			
Alok Apparel Private Limited	1.00		1.00
[10,00,000 Equity Shares of ₹ 10/- each]			
Alok Retail (India) Limited	0.05		0.05
[50,000 Equity Shares of ₹10/- each]			
Alok Land Holdings Private Limited	0.50		0.50
[5,00,000 Equity Shares of ₹10/- each]			
(1,50,000 shares Pledged against finance availed by Alok Infrastructure Limited.)			
Alok Infrastructure Limited	0.05		0.05
[50,000 Equity Shares of ₹10/- each]			
(Pledged against finance availed Alok Realtors Private Limited)			
Alok H & A Limited	36.05		36.05
[3,60,50,000 Equity Shares of ₹10/- each]			
		37.91	37.91
In Joint Venture			
Aurangabad Textiles & Apparel Parks Limited	17.25		15.50
[10,19,200 Equity Shares of ₹10/- each]*			
* Stamp duty on lease deed of ₹ 1.75 crore paid during the year as per share subscription agreement			
New City Of Bombay Mfg. Mills Limited	71.50		71.50
[44,93,300 Equity Shares of ₹10/- each]			
		88.75	87.00

SCHEDULES

(₹. Crore)

PARTICULARS		AS AT 31.03.2011	AS AT 31.03.2010
Others - Unquoted			
Trimphunt Victory Holdings Limited (₹ 45.14/-) [1 Equity share of USD 1 each]	0.00		0.00
Shirt Company (India) Limited [11,333 (Previous year 33,333) Equity Shares of ₹10/- each]	0.20		0.50
Dombivali Nagri Sahakari Bank Limited [10,000 Equity Shares of ₹ 50/- each]	0.05		0.05
Kalyan Janata Sahakari Bank Limited [10,000 Equity Shares of ₹ 25/- each]	0.03		0.03
Saraswat Bank Limited (₹ 25,000/-) [2,500 Equity Shares (Previous Year Nil) of ₹ 10/- each]	0.00		-
Grabal Alok International Limited (₹ 1,121.25/-) [25 Equity Shares (Previous Year Nil) of USD 1 each]	0.00		-
Wel-Treat Environ Management Organisation (₹ 36,500/-) [3,650 Equity Shares (Previous Year Nil) of 10 each]	0.00		-
		0.28	0.58
Others - Quoted			
Grabal Alok Impex Limited [19,00,000 Equity Shares of ₹10/- each]		3.99	3.99
In Preference Shares			
In Subsidiary company- Unquoted			
Alok Industries International Limited [1%, Nil (Previous year 19,562,484) cumulative redeemable preference shares of USD 1 each] redeemable after 10 years from the date of allotments with a put and call option at the end of each year.	-		79.15
		-	79.15
B) CURRENT INVESTMENTS (At lower of cost or fair value) - fully paid			
In equity shares - Quoted			
United Bank of India [Nil (Previous Year 22,130) Equity Shares of ₹ 10/- each]	-		0.15
		-	0.15
In Mutual Funds- Unquoted			
Principal PNB Long Term Equity Fund 3 Year Plan - Series II [Nil (Previous Year 12,50,000) units of ₹10/- each]	-		0.56
Axis Infrastructure Fund 1 [72,035 (Previous year 68,453) units of ₹ 1000/- each]	7.20		6.85
SBI Short Horizon Fund Ultra Short Term Institutional - Growth [Nil (Previous Year 23,51,259.33) units of ₹ 10/- each]	-		2.50
SBI Magnum Insta Cash Fund [78,08,875.48 (Previous year Nil) units of ₹ 10/- each]	17.00		-
Peerless Liquid Fund Collection A/C [9,35,506.20 (Previous year Nil) units of ₹ 10/- each]	1.00		-
IDFC Money Manager Fund Daily Dividend [49,652.93 (Previous year Nil) units of ₹ 10/- each]	0.05		-
		25.25	9.91
Bonds			
Laxmi Vilas Bank Tier II Bonds [20 Bonds of ₹. 10,00,000 each]	2.00		2.00
		2.00	2.00
		27.25	12.06
		158.18	220.69

SCHEDULES

PARTICULARS		AS AT 31.03.2011	AS AT 31.03.2010
C) Share Application Money - To Subsidiary company			
Alok Apparel Private Limited	9.00		9.00
		9.00	9.00
Total		167.18	229.69
1) Quoted Investment : Aggregate cost / carrying value		3.99	4.14
: Aggregate market value		6.08	9.64
2) Unquoted Investment : Aggregate cost / carrying value		154.19	216.55

Investments bought and sold during the year

Particulars	No of units	Face Value ₹ per Unit/ Share	Purchase Cost ₹ Crore
Mutual Fund Units			
DSP Black Rock Liquidity fund	37,173.96	10	5.00
DSP Black Rock Liquidity fund	36,937.30	10	5.00
LIC MF Liquid Fund	11,725,460.08	10	20.00
Pnb-Principal Cash Mgt Fund	1,316,820.41	10	2.00
SBI Magnum Insta Cash Fund	7,112,206.92	10	15.00
SBI Magnum Insta Cash Fund	23,565,564.11	10	50.00
SBI Magnum Insta Cash Fund	924,932.48	10	2.00
SBI Premier Liquid Fund	6,693,530.03	10	10.00
SBIMF - SDFS - 90 Days	2,000,000.00	10	2.00

(₹ Crore)

PARTICULARS		AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE '8'			
INVENTORIES [At Cost or Net Realisable value whichever is lower]			
Stores, Spares, Packing Materials and others		66.30	38.28
Stock-in-trade :			
Raw Materials (Includes goods in transit ₹ 138.62 crore (Previous year ₹ 41.66 crore)	587.63		309.99
Process Stock	868.77		826.48
Finished Goods / Traded Goods	479.92		299.66
		1,936.32	1,436.13
Total		2,002.62	1,474.41

(₹ Crore)

PARTICULARS		AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE '9'			
SUNDRY DEBTORS (Unsecured)			
Debts Outstanding for a period exceeding six months		50.75	40.73
Other Debts		1,698.84	1,065.06
		1,749.59	1,105.79
Less : Provision		9.39	4.56
Total		1,740.20	1,101.23
Considered Good		1,740.20	1,101.23
Considered Doubtful		9.39	4.56
Total		1,749.59	1,105.79

NOTE : Sundry Debtors includes ₹ 64.9 crore (Previous year ₹ 38.23 crore) towards contractual obligations on account of Export Incentives Receivables.

Debtors include dues from parties aggregating to ₹ 3.10 crore in which director is director/partner.

(₹ Crore)

PARTICULARS		AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE '10'			
CASH AND BANK BALANCES			
Cash on hand		0.70	0.57
Bank Balances :			
a) With Scheduled Banks :			
- In Cash Credit Accounts		1.36	2.34
- In Current Accounts		28.53	699.39
- In Deposit Accounts [including interest accrued thereon ₹ 3.56 crore (Previous Year ₹ 0.96 crore)] (Refer note no.4)		977.75	548.23
- In Margin Money Deposits		132.87	115.69
b) With others			
- In Current Account			
Hinduja Bank		0.00	1.50
[Maximum amount outstanding at any time during the year ₹ 1.50 crore (Previous year ₹ 1.50 crore)]			
- In Deposit Accounts			
EXIM Bank		-	22.57
[Maximum amount outstanding at any time during the year ₹ 22.57 crore (Previous year ₹ 22.57 crore)]			
Total		1,141.21	1,390.29

Cash and Bank Balance includes

- ₹ 41.29 crore (Previous year ₹. 79.19 crore) kept in bank fixed deposits pending utilisation towards project.
- Margin money deposits includes ₹ 69.16 crore (previous year ₹ 73.34 crore) towards L.C margin against import of plant & machinery.
- Includes ₹ Nil (Previous year ₹ 444.00 Crore) pledged with bank against put option (Refer note No. 15 of part 'B' of Schedule 19).
- Includes ₹ 845.45 crore (Previous year ₹ Nil) pledge with bank towards loan availed by subsidiary Companies.

SCHEDULES

(₹ Crore)

PARTICULARS		AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE '11'			
LOANS AND ADVANCES			
[Unsecured]			
Advances recoverable in cash or in kind or for value to be received		596.68	740.31
Loans - Inter Corporate Deposits		4.95	7.40
Deposits		9.36	5.03
Balances with Central Excise Collectorate		0.16	0.17
Advance Tax (Net of provision for tax)		15.29	14.90
Mat credit Entitlement		110.39	68.14
		736.83	835.95
Less : Provision		9.31	-
		727.52	835.95
Considered good		727.52	835.95
Considered doubtful		9.31	-
Total		736.83	835.95

Advances includes :

- ₹ 171.33 crore (previous year ₹ 109.30 crore) towards Cenvat credit balances to be utilised in the subsequent years.
- ₹ 121.73 crore (previous year ₹ 108.77 crore) towards interest subsidy receivable under the TUF scheme of Government of India.
- ₹ 1.27 crore (previous Year ₹ 0.43 crore) due from officers of the Company [maximum amount outstanding during the year ₹ 1.35 crore (Previous year ₹ 0.49 crore)]

Deposit includes :

- ₹ 2.97 crore (previous year ₹ 3.00 crore) being deposits towards office/residential premises taken on rental basis.

(₹ Crore)

PARTICULARS		AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE '12'			
CURRENT LIABILITIES:			
Sundry Creditors			
Total Outstanding dues to :			
- Micro Enterprises and Small Enterprises *	-		0.12
- Creditors other than Micro Enterprises and Small Enterprises	622.84		287.96
[Including Acceptances ₹ 89.92 crore (previous year ₹ 154.66 crore)]		622.84	288.08
Buyers credit		167.00	67.88
Mark to Market provision on derivative instruments (Refer note no.16 of Part B of schedule 19)		72.96	23.95
Unclaimed Dividend#		0.84	0.80
Interest accrued but not due on loans		17.59	80.50
Advance from customers		48.61	27.72
Total		929.84	488.93

* As per information available with the Company

Note :

Sundry Creditors includes ₹ 30.13 crore (previous year ₹ 1.38 crore) being overdrawn bank balances as per books consequent to issue of cheques at the year end though the banks have positive balances as on that date.

This figure doesn't include any amount due and outstanding to be credited to Investor Education and Protection Fund. During the year, company has transferred ₹ 0.06 crore (Previous year ₹ 0.04 Crore) to Investor Education and Protection Fund)

SCHEDULES

(₹ Crore)

PARTICULARS		AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE '13'			
PROVISIONS			
Provision for Gratuity and compensated absences		20.59	15.81
Proposed Dividend		19.69	19.69
Corporate Dividend Tax		3.27	3.27
Provision for Taxation (Net of advance tax)		19.24	16.30
Others (Refer note no 13 of part B of Schedule 19)		15.47	-
Total		78.26	55.07

(₹ Crore)

PARTICULARS		Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE '14'			
SALES			
Sales – Local	4,270.71		2,812.43
Sales – Export	2,080.48		1,466.97
		6,351.19	4,279.40
Export Incentive		136.95	92.02
Total		6,488.14	4,371.42

(₹ Crore)

PARTICULARS		Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE '15'			
OTHER INCOME			
Dividend Income :			
On long term investment	2.37		1.02
On Current investment	-		0.00
		2.37	1.02
Miscellaneous Income		0.16	0.32
Rent Received		0.78	0.06
Profit on sale of Current Investments (Net)		1.16	0.66
Profit on sale of Assets (Net)		-	1.60
Exchange Rate difference (Net)		-	58.03
Provision for Doubtful Debts written back		1.54	2.27
Sundry Credit balances written back		0.43	0.06
Total		6.44	64.02

SCHEDULES

(₹ Crore)

PARTICULARS		Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE '16'			
INCREASE IN STOCK OF FINISHED GOODS AND PROCESS STOCK			
CLOSING STOCK AS ON 31 MARCH 2011			
Finished Goods / Traded Goods	479.92		299.66
Process Stock	868.77		826.48
		1,348.69	1,126.14
LESS : OPENING STOCK AS ON 1 APRIL 2010			
Finished Goods / Traded Goods	299.66		240.12
Process Stock	826.48		552.20
		1,126.14	792.32
Total		222.55	333.82

(₹ Crore)

PARTICULARS		Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE '17'			
MANUFACTURING AND OTHER EXPENSES			
Raw Material Consumed		3,224.04	1,940.35
Payment to and Provisions for Employees:			
Salaries, Wages and Bonus	187.27		143.65
Contribution to Provident Fund and Other Funds	8.08		6.31
Employees Welfare Expenses	4.41		3.77
		199.76	153.73
Operational and Other Expenses			
Stores and Spares Consumed		50.63	67.55
Packing Materials Consumed		80.70	65.42
Power and Fuel		392.09	319.28
Processing Charges		47.93	35.41
Labour Charges		59.39	47.40
Excise Duty		4.14	4.75
Donation		0.81	2.15
Freight, Coolie and Cartage		98.25	81.55
Legal and Professional Fees		28.70	7.98
Share Issue Expenses		-	44.93
Rent		12.19	10.49
Rates and Taxes		4.59	3.59
Repairs and Maintenance			
Plant and Machinery	14.61		10.66
Factory Building	0.59		0.65
Others	3.55		3.12
		18.75	14.43
Commission on Sales		21.63	16.51
Exchange rate difference (Net)		75.64	-

SCHEDULES

Provision for Doubtful Debts		6.37	2.93
Provision for doubtful advance		9.31	-
Loss of assets due to fire		-	37.91
Directors Remuneration		7.20	7.20
Directors Fees and Commission		5.06	5.06
Auditors Remuneration			
Audit Fees	1.30		0.47
Certification Fees	0.03		0.03
		1.33	0.50
Insurance		12.87	9.67
Loss on Sale of Assets (net)		1.74	-
Miscellaneous Expenses		155.33	159.28
(Miscellaneous Expenses includes Printing and Stationery, Bank Charges, Advertisement, Bill Discounting Charges etc.)			
Total		4,518.45	3,038.07

(₹ Crore)

PARTICULARS		Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE '18'			
INTEREST (NET)			
Interest Paid:			
On Debentures	75.00		75.64
On Fixed Loan	474.83		360.12
[Net of Interest Subsidy ₹ 131.88 crore (previous year ₹ 138.01 crore)]			
On Cash Credit Accounts, etc.	139.19		112.78
[Net of recovery ₹ 81.47 crore (previous year ₹ Nil) (Tax Deducted at source ₹ 8.15 crore [Previous year ₹ Nil crore])]		689.02	548.54
Less : Interest Received on Loans, Deposits etc. (Tax Deducted at Source ₹3.73 crore [Previous Year ₹ 2.01 crore])		34.65	13.45
Less : Interest on calls in arrear		-	0.01
Total		654.37	535.08

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**Schedule '19'****A) SIGNIFICANT ACCOUNTING POLICIES****1. Basis of Preparation of Financial Statements**

These financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India, the applicable Accounting Standards and the provisions of the Companies Act, 1956.

2. Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between, the actual results and estimates are recognised in the period in which the results are known / materialise.

3. Revenue Recognition

- a) Revenue on sale of products is recognised when the products are dispatched to customers, all significant contractual obligations have been satisfied and the collection of the resulting receivable is reasonably expected. Sales are stated net of trade discount, returns and sales tax collected.
- b) Revenue in respect of insurance/other claims, interest etc. is recognised only when it is reasonably certain that the ultimate collection will be made.

4. Fixed Assets**a) Own Assets:**

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

b) Assets taken on lease:**1) Finance Lease:**

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

2) Operating Lease:

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

5. 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.

6. Capital Work – in-Progress

Projects under commissioning are carried forward at cost as capital work in progress and represent payments made to contractors including advances and directly attributable cost.

7. Depreciation / Amortization

- a) Depreciation on Fixed Assets is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Continuous process plant is classified based on technical assessment and depreciation is provided accordingly
- b) Cost of leasehold land is amortized over the period of lease.
- c) Trade marks/Brands marks are amortized over a period of ten years from the date of capitalization
- d) Computer software is amortized for a period of five years from the date of capitalization.

- e) Depreciation on additions to assets or on sale / disposal of assets is calculated from the beginning of the month of such addition or up to the month of such sale / scrapped, as the case may be.
- f) Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase.

8. Foreign Currency Transactions & Translations

- a) Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Exchange differences arising on settlement of foreign currency transactions are recognised in the profit and loss account
- b) Monetary items denominated in foreign currency are restated using the exchange rate prevailing at the balance sheet date and the resultant exchange differences are recognized in the profit and loss account. Non-monetary items denominated in foreign currency are carried at historical cost.

However, pursuant to the notification of the Companies (Accounting Standards) Amendment Rules 2006 issued on 31 March 2009, which amended Accounting Standard 11 on The Effects of Changes in Foreign Exchange Rates, exchange differences relating to long term monetary items are dealt with in the following manner:

- i. Exchange differences relating to long-term monetary items, arising during the year, in so far as they 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.
- ii. In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized to the profit and loss account over the balance life of the long-term monetary item, however that the period of amortization does not extend beyond 31 March, 2012. (Refer Note 20 below).
- c) In respect of forward contracts entered into to hedge foreign currency exposure in respect of recognized monetary items, 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 profit and loss account. Any gain / loss on cancellation of such forward contracts are recognised as income / expense of the period.

9. Inventories

Items of Inventories are valued on the basis given below:

- 1. Raw Materials, Packing Materials, Stores and Spares and Trading goods: at cost determined on First – In – First – Out (FIFO) basis or net realisable value, whichever is lower.
- 2. Process stock and Finished Goods: At weighted average cost or net realisable values whichever is lower. Cost comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventory to their present location and condition.

10. Employee Benefits (Refer Note No. 10 of Part B of Schedule 19)

- a) Defined Contribution Plan

Company's contribution paid/ payable for the year to defined contribution retirement benefit scheme is charged to Profit and Loss account.

- b) Defined Benefit Plan and other long term benefit plan

Company's liabilities towards defined benefit scheme and other long term benefit plans are determined using the projected unit credit method. Actuarial valuation under projected unit credit method are carried out at Balance Sheet date, Actuarial gains/losses are recognised in Profit and Loss Account in the period of occurrence of such gains and losses. Past service cost is recognised immediately to the extent benefits are vested otherwise it is amortized on straight line basis over running average periods until the benefits become vested. The retirement benefit obligation recognised in Balance Sheet represents present value of the defined benefit obligations as adjusted for unrecognised past service cost and as reduced by fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, the present value is available refunds and reduction in future contribution to the scheme.

- c) Short Term Employee Benefits

Short term employee benefits expected to be paid in exchange for the services rendered by the employee are recognised undiscounted during the period the employee renders the services, these benefits include incentive, bonus.

11. Accounting of CENVAT credit

Cenvat credit available is accounted by recording material purchases net of excise duty. Cenvat credit availed is accounted on adjustment against excise duty payable on dispatch of finished goods.

12. 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. Government grants not specifically related to fixed assets are recognised in the Profit and Loss Account in the year of accrual / receipt.

13. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

14. Income taxes

Tax expense comprises of current tax and deferred tax. Current tax and deferred tax are accounted for in accordance with Accounting Standard 22 (AS-22) on "Accounting for taxes on Income". Current tax is measured at the amount expected to be paid / recovered from the tax authority using the applicable tax rates. Deferred liabilities are recognised for future tax consequence attributable to timing difference between taxable income and accounting income that are capable of reversing in one or more subsequent periods and are measured at relevant enacted/ substantively enacted tax rates and in the case of deferred tax asset on consideration of prudence, are recognised and carried forward to the extent of reasonable / virtual certainty as case may be. At each balance sheet date, the Company reassesses unrealised deferred tax assets to the extent they become reasonably certain or virtually certain of realisation, as the case may be. Minimum Alternate Tax (MAT) credit entitlement is recognised in accordance with the Guidance Note on "Accounting for credit available in respect of Minimum Alternate Tax under the Income-tax Act, 1961" issued by ICAI (Refer note no. 8 and 12 of Part B of Schedule 19).

15. 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. The intangible assets are recorded at cost and are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

16. Impairment of Fixed Assets

At the end of each year, the company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 (AS-28) "Impairment of Assets". An impairment loss is charged to the Profit and Loss Account in the year in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

17. Provisions, Contingent Liabilities and Contingent Assets

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

18. Issue Expenses

Expenses incurred in connection with the issue of shares, debentures and Foreign Currency Convertible Bonds to be recognised in Profit & Loss Account .

19. Accounting for Derivatives

The company uses derivative instruments to hedge its exposure to movements in foreign exchange rates, interest rates and currency risks. The objective of these derivative instruments is to reduce the risk or cost to the company and is not intended for trading or speculation purposes.

Interest Rate Swaps, Currency Option and Currency Swaps, in the nature of firm commitment and highly probable forecast transactions, entered into by the Company for hedging the risks of foreign currency exposure (including interest rate risk) are accounted based on the principles of prudence as enunciated in Accounting Standard 1 (AS-1) "Disclosure of Accounting Policies".

B) NOTES TO ACCOUNTS
1 Contingent Liabilities in respect of :

(₹ Crore)

Sr. No.	Particulars	Current Year	Previous Year
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	Pending Litigation	0.05	0.05
C	Guarantees given by banks on behalf of the Company	24.69	43.96
D	Corporate Guarantees given to bank for loans taken by Subsidiary Companies	213.35	212.79
E	Bills discounted	242.94	71.47
F	<u>Taxation Matters :</u>		
	a) During the year, the Company received Income Tax demand mainly on account of alleged short deposition of TDS amounts for four years arising from wrong TAN numbers mentioned while uploading the TDS return and certain payments not considered by the Tax authorities, although duly paid by the company. The Company has filed an appeal with the Commissioner of Income Tax (A) and also made application for rectification u/s 154 providing details of amounts paid to the bank and is hopeful of a favourable order.	5.91	-
	b) Demands of Works Contract Tax not acknowledged as debts and not provided for. The company has initiated proceedings against such demand and is hopeful of favourable decision.	0.59	-
G	Guarantee provided to New City of Bombay Mfg. Mills Limited (Joint Venture company) for loan given to Grabal Alok Impex Limited and another company	18.00	-

2 Capital Commitments

(₹ Crore)

Particulars	Current Year	Previous Year
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances)	464.55	238.10

3 Related Party Disclosure
A. Name and transaction / balances with related party.
1. Name of related parties and nature of relationship

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

I Associate Companies	
Grabal Alok (UK) Ltd. (Formerly known as Hamsard 2353 Limited)	
Alspun Infrastructure Ltd.	
Ashford Infotech Private Limited	
Nirvan Builders Private Limited	
Next Creation Holdings LLC	
II Entities under common control	
Alok Denims (India) Private Limited	Gogri Properties Private Limited
Alok Finance Private Limited	Green Park Enterprises
Alok Knit Exports Limited	Jiwrajka Associates Private Limited
Alok Textile Traders	Jiwrajka Investment Private Limited
Ashok B. Jiwrajka (HUF)	Niraj Realtors & Shares Private Limited
Ashok Realtors Private Limited	Nirvan Exports
Buds Clothing Co.	Nirvan Holdings Private Limited
D. Surendra & Co.	Pramatex Enterprises
Dilip B. Jiwrajka (HUF)	Pramita Creation Private Limited
Grabal Alok Impex Limited	Surendra B. Jiwrajka (HUF)
Grabal Alok International Limited	Trumphant Victory Holdings Limited.

SCHEDULES

III Subsidiaries		
Alok Inc.	Alok Infrastructure Limited	
Alok Industries International Ltd.	Alok Apparels Private Limited	
Alok Retail (India) Limited (Formerly known as Alok Homes & Apparel Private Limited)	Alok New City Infratex Private Limited	
Alok Land Holdings Private Limited	Alok Realtors Private Limited	
Alok Aurangabad Infratex Private Limited	Alok HB Hotels Private Limited	
Alok H&A Limited	Alok HB Properties Private Limited	
Alok International, Inc.	Springdale Information and Technologies Private Limited	
Alok European Retail, s.r.o.	Kesham Developers & Infotech Private Limited	
Mileta, a.s.		
IV Joint Venture		
Aurangabad Textiles & Apparel Parks Limited		
New City Of Bombay Mfg. Mills Limited		
V Key Management Personnel		
	Ashok B. Jiwrajka	} Directors
	Chandrakumar Bubna	
	Dilip B. Jiwrajka	
	Surendra B. Jiwrajka	
VI Relatives of Key Management Personnel		
	Alok A. Jiwrajka	
	Suryaprakash Bubna	

2. Nature of transaction:

(₹ Crore)

	Transaction	Associate Companies	Entities under common control	Subsidiaries	Joint Venture Company	Key Management Personnel	Relatives of Key Management Personnel	Total
a)	<u>Share Application Money</u>							
	Balance as at 1 April	-	-	-	-	-	-	-
		(-)	(65.20)	(-)	(-)	(27.30)	(-)	(92.50)
	Received during the year	-	-	-	-	-	-	-
		(-)	(45.26)	(-)	(-)	(-)	(0.84)	(46.10)
	Shares allotted during the Year	-	-	-	-	-	-	-
		(-)	(110.46)	(-)	(-)	(27.30)	(0.84)	(138.60)
	Balance as at 31 Mar	-	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
b)	<u>Loans and Advances</u>							
	Balance as at 1 April	-	-	32.62	-	-	-	32.62
		(-)	(-)	(31.07)	(-)	(-)	(-)	(31.07)
	Granted during the year	1.59	252.25	1,481.24	-	-	-	1,735.08
		(-)	(-)	(8.59)	(-)	(-)	(-)	(8.59)
	Repaid during the year	-	252.22	1,445.84	-	-	-	1,698.06
		(-)	(-)	(7.04)	(-)	(-)	(-)	(7.04)
	Balance as at 31 Mar	1.59	0.03	68.02	-	-	-	69.64
		(-)	(-)	(32.62)	(-)	(-)	(-)	(32.62)
c)	<u>Investments</u>							
	Balance as at 1 April	-	3.99	117.07	87.00	-	-	208.06
		(-)	(3.99)	(369.77)	(87.00)	(-)	(-)	(460.76)
	Invested during the year	-	-	-	1.75	-	-	1.75
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
	Redeemed during the year	-	-	(79.15)	-	-	-	(79.15)
		(-)	(-)	(252.70)	(-)	(-)	(-)	(252.70)

SCHEDULES

	Transaction	Associate Companies	Entities under common control	Subsidiaries	Joint Venture Company	Key Management Personnel	Relatives of Key Management Personnel	Total
	Balance as at 31 Mar	-	3.99	37.91	88.75	-	-	130.65
		(-)	(3.99)	(117.07)	(87.00)	(-)	(-)	(208.06)
d)	<u>Share Application Money – Investments</u>							
	Balance as at 1 April	-	-	9.00	-	-	-	9.00
		(-)	(-)	(9.00)	(-)	(-)	(-)	(9.00)
	Given/(Received back) during the period	-	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
	Shares allotted during the Year	-	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
	Balance as at 31 Mar	-	-	9.00	-	-	-	9.00
		(-)	(-)	(9.00)	(-)	(-)	(-)	(9.00)
e)	<u>Sundry Debtors</u>							
	Balance as at 31 Mar	26.97	0.45	38.78	0.09	-	-	66.29
		(2.08)	(-)	(45.22)	(-)	(-)	(-)	(47.30)
f)	<u>Sundry Creditors</u>							
	Balance as at 31 Mar	-	18.58	1.04	0.02	-	-	19.64
		(-)	(1.00)	(4.73)	(-)	(-)	(-)	(5.73)
g)	<u>Turnover</u>							
	Sales of Goods	79.92	67.01	58.02	1.41	-	-	206.36
		(81.81)	(52.88)	(71.80)	(-)	(-)	(-)	(206.50)
h)	<u>Expenditure</u>							
	Purchase of goods / Job charges	-	2.87	1.07	82.87	-	-	86.81
		(-)	(4.29)	(0.26)	(-)	(-)	(-)	(4.55)
	Purchase of Fixed Assets	-	0.62	245.48	-	4.54*	-	250.64
	(* from three Directors jointly)	(-)	(-)	(213.77)	(-)	(0.86)	(-)	(214.63)
	Rent	-	-	0.59	-	-	-	0.59
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
	LC Charges	2.36	-	-	-	-	-	2.36
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
	Sales Promotion Expenses	2.35	-	0.09	-	-	-	2.44
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
	Marketing Service Charges	-	-	8.84	-	-	-	8.84
		(-)	(-)	(6.13)	(-)	(-)	(-)	(6.13)
	Exchange Rate Difference	94.37	-	-	-	-	-	94.37
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
	Remuneration	-	-	-	-	12.20	0.20	12.40
		(-)	(-)	(-)	(-)	(12.20)	(0.18)	(12.38)
i)	<u>Dividend Paid</u>	-	0.44	-	-	1.54	-	1.98
		(-)	(0.43)	(-)	(-)	(-)	(-)	(0.43)
j)	<u>Income</u>							
	Dividend	-	0.15	-	2.21	-	-	2.36
		(-)	(0.15)	(-)	(0.86)	(-)	(-)	(1.01)
	Sale of Fixed Assets and Stores & Spares	-	-	-	-	-	-	-
		(-)	(0.02)	(-)	(-)	(-)	(-)	(0.02)
	Rent	-	0.03	0.68	-	-	-	0.71
		(-)	(-)	(0.02)	(-)	(-)	(-)	(0.02)
	Interest	-	2.90	-	-	-	-	2.90
		(-)	(4.40)	(-)	(-)	(-)	(-)	(4.40)
k.	<u>Guarantee given</u>	-	-	-	18.00	-	-	18.00
		(-)	(-)	(-)	(-)	(-)	(-)	(-)

Note: 1) Related party relationship is as identified by the company and relied upon by the Auditors.

2) Previous year figures are given in brackets.

SCHEDULES

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

(₹ Crore)

	Transaction	Current Year		Previous Year
a)	<u>Share Application Money</u>			
	Received/Adjusted during the year			
	Entites under common control			
	Niraj Realtors & Shares Private Limited	-		17.67
	Jiwrajka Associates Private Limited	-		10.16
	Alok Finance Private Limited	-		5.64
	Grabal Alok Impex Limited	-		5.23
		-		38.70
b)	<u>Loans and advances</u>			
	Granted during the year			
	Entites under common control			
	Grabal Alok Impex Limited		244.80	-
	Subsidiary-			
	Alok Infrastructure Limited	1,090.93		-
	Alok Industries International Limited	298.50		-
	Alok Retail (India) Limited	-		7.19
			1,389.43	7.19
	Repaid during the year			
	Entites under common control			
	Grabal Alok Impex Limited		244.80	-
	Subsidiary-			
	Alok Infrastructure Limited	1,090.84		-
	Alok Industries International Limited	236.45		-
	Alok Apparels Private Limited	-		8.49
			1,327.29	8.49
c)	<u>Investment</u>			
	Invested during the year			
	Subsidiary-			
	Alok H&A Ltd		-	36.05
	Joint Venture-			
	New City of Bombay Mfg. Mills Limited		1.75	-
	Redeemed During the year (Net)-			
	Subsidiary-			
	Alok Industries International Limited		79.15	288.75
d)	<u>Turnover (including Jobwork charges)</u>			
	Associates-			
	Grabal Alok (UK) Ltd.		79.92	81.81
	Entites under common control			
	Grabal Alok Impex Limited		67.01	52.88
	Subsidiary-			
	Alok Retail (India) Limited	-		8.35
	Alok International Inc.	44.68		45.08
	Mileta, a.s.	-		14.93
			44.68	68.36
e)	<u>Expenditure</u>			
	Purchase of Goods:			
	Entites under common control			
	Grabal Alok Impex Limited		-	4.29
	Subsidiary-			

SCHEDULES

	Transaction	Current Year		Previous Year
	Alok Apparels Pvt. Limited		-	0.22
	Joint Venture Company			
	New City of Bombay Mfg. Mills Limited		81.71	-
	Purchase of Fixed Assets (Under Construction):			
	Subsidiary-			
	Alok Infrastructure Limited		245.48	213.77
	Rent			
	Subsidiary- Kesham Developers Private Limited		0.59	-
	LC Charges			
	Associates- Grabal Alok (UK) Ltd.		2.36	-
	Sales Promotion Expenses			
	Associates- Grabal Alok (UK) Ltd.		2.35	-
	Marketing Service Charges			
	Subsidiary – Alok International Inc.		8.84	6.13
	Exchange Rate Difference			
	Associates- Grabal Alok (UK) Ltd.		94.37	-
	Remuneration:			
	Key Management Personnel-			
	Ashok B. Jiwrajka	3.05		3.05
	Surendra B. Jiwrajka	3.05		3.05
	Dilip B. Jiwrajka	3.05		3.05
	Chandrakumar Bubna	3.05		3.05
			12.20	12.20
f)	<u>Dividend Paid</u>			
	Entities under common control			
	Grabal Alok Impex Limited		0.44	0.43
	Key Management Personnel-			
	Ashok B. Jiwrajka	0.50		-
	Dilip B. Jiwrajka	0.51		-
	Surendra B. Jiwrajka	0.53		-
			1.54	-
g)	<u>Income</u>			
	Dividend:			
	Joint Venture Company			
	New City of Bombay Mfg. Mills Limited	1.80		-
	Aurangabad Textiles & Apparel Parks Limited	0.41		-
			2.21	-
	Sale of Fixed Assets and Stores and Spares			
	Entities under common control			
	Grabal Alok Impex Limited		-	0.02
	Rent received:			
	Subsidiary-			
	Alok Retail (India) Limited	0.63		0.01
	Alok Infrastructure Limited	-		0.01
			0.63	0.02
	Interest received			
	Entities under common control			
	Grabal Alok Impex Limited		2.90	4.40
h)	<u>Guaranteed given</u>			
	Joint Venture Company			
	New City Of Bombay Manufacturing Limited		18.00	-

SCHEDULES

b) Details in accordance with clause 32 of the listing agreement with the stock exchanges are as under:

i) Loans and Advances to subsidiary companies / Others

Name of the Company	Balance as at 31 March 2011 (₹ Crore)	Maximum Balance during the year	Balance as at 31 March 2010 (₹ Crore)
a) Subsidiary Companies			
Alok Infrastructure Limited	0.12	519.73	-
Alok Inc.	0.21	0.21	0.20
Alok Industries International Limited	62.28	336.75	0.23
Alok Apparels Private Limited	-	24.96	12.54
Alok H & A Limited	-	55.42	-
Alok Realtors Private Limited	-	3.60	-
Alok Retail (India) Limited	-	0.85	20.00
b) Others			
Grabal Alok Impex Limited	-	59.12	-

ii) Investment by Loanee in the shares of the company

Name of the Company	No. of equity shares	Face Value (Rupees)
Grabal Alok Impex Limited	17,559,382	175,593,820

c) Joint Venture

In compliance with the Accounting Standard 27 on 'Financial Reporting of interest in Joint Ventures' as notified by the (Companies Accounting Standards) Rules, 2006, the Company has interests in the following jointly controlled entities, which are incorporated in India.

(₹ Crore)

Name of the Companies	% of share holding	Amount of interest based on audited Accounts for the year ended 31 March 2011				
		Assets	Liabilities	Income	Expense	Contingent Liability
New City of Bombay Mfg. Mills Limited	49.00%	36.77 (20.40)	3.59 (0.88)	65.57 (64.22)	61.20 (61.98)	- (-)
Aurangabad Textile and Apparela Park Limited	49.00%	8.41 (7.23)	0.69 (0.16)	26.94 (20.90)	26.47 (19.96)	-* (-)

* Disputed various matters relating to NTC/ATM-Amount unascertainable (Refer note no.17 (i) of schedule 19 of financial statements of Aurangabad Textile and Apparel Park Limited)

Note : Previous year figures are given in brackets.

4 Managerial Remuneration

(₹ Crore)

Particulars	31 March 2011	31 March 2010
Salaries	7.20	7.20
Commission	5.00	5.00
Total	12.20	12.20

Computation of net profit in accordance with Section 198 read with Section 309(5) of the Companies Act, 1956.

(₹ Crore)

	31 March 2011	31 March 2010
Profit Before Tax as per Profit & Loss A/c	583.19	374.79
Add: 1) Directors Remuneration (including commission)	12.20	12.20
2) Sitting Fees	0.06	0.06
3) Loss on sale of current investments	-	-
4) Loss on sale / lost of Fixed Assets	1.74	37.91
5) Provision for Doubtful Debts and Advances	15.68	2.93
	612.87	427.89
Less: 1) Profit on sale of current investments	1.16	0.66
2) Provision for Doubtful Debts and Advances written back	1.54	2.27
3) Profit on Sale of Fixed Assets	-	1.59
Net Profit under Section 349 of the Companies Act, 1956	610.17	423.37
Eligible Salaries, Perquisites and Commission @10% of above	61.02	42.34
Actual Commission (As restricted by Board of Directors)	5.00	5.00

5 Qualified Institutional Placements

During the previous year, the Company has issued & allotted 182,100,248 equity shares of ₹ 10 each at a premium of ₹. 13.32 per equity share to Qualified Institutional Buyers in terms of Chapter VIII of Security and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulation 2009. The proceeds of the issue are utilised as under:

Sr. No.	Particulars	₹ Crore
1.	QIP Issue expenses	27.66
2.	Long Term working capital margin	153.30
3.	Capital Expenditure	243.70
	Total	424.66

6 Employee Stock Option Scheme (ESOS)

During the year, the shareholders of the Company approved the Employee Stock Option Scheme vide postal ballot, in accordance with the Securities and Exchange Board of India (ESOP & ESPS) Guidelines, 1999. Such scheme provides for grant of options to the eligible employees and /or directors of the Company and / or its subsidiaries. The Company is yet to grant any options under the scheme at the balance sheet date.

- 7 The Company during the year mainly capitalised Weaving Normal & Wider Width (Phase-III), Spinning unit (Phase IV), PET Chips Plant, and POY Plant at Saily, Dadra and Nagar Haveli and Terry Towel unit at Vapi. Pre-operative expenses included in Capital work in progress (Schedule 6) represent the direct expenses incurred for projects undertaken by the company which are yet to be commissioned. Such pre-operative expenses mainly pertain to plants/building under erection/construction at units located at Vapi and Silvassa to be capitalised on completion of the project at that location. The details of pre-operative expenses are as under :

(₹ Crore)

Details of Pre Operative Expenses	For the year ended 31 March 2011	For the year ended 31 March 2010
Opening balance	39.11	75.50
Add: Expenditure Incurred during the year		
Payment to and provisions for employees	0.70	-
Stores and spares consumed	-	0.80
Power and fuel	9.25	26.29
Legal & Professional charges	20.38	30.94
Upfront Fees towards borrowings	3.25	4.00
Others	1.70	8.41
Net Total	74.39	145.95
Less : Allocated to Fixed Assets.	61.65	(106.83)
Total	12.74	39.11

SCHEDULES

8 Deferred Taxation

Deferred Tax asset and liability arising on account of timing differences are as under:

(₹ Crore)

	31 March 2011	31 March 2010
I) Deferred Tax Liability (DTL)		
i) Depreciation	527.77	422.00
	527.77	422.00
II) Deferred Tax Asset (DTA)		
i) Other items	12.76	2.80
ii) Share Issue Expenses	7.35	12.22
	20.11	15.02
(I-II) Total Deferred Tax Liability (Net)	507.66	406.98

9 Earnings per share (EPS)

(₹ Crore)

	31 March 2011	31 March 2010
a. Nominal value of equity shares per share (In Rupees)	10	10
b. Basic & Diluted EPS		
Net Profit Available for Equity Shareholders	404.36	247.34
Weighted average number of Equity Shares Basic & Dilutive (Nos.)	787,784,357	539,602,404
Basic & Diluted Earnings per share (Rupees)	5.13	4.58

10 Employee benefit plans:

i) Defined contribution plans:

Amounts recognized as expenses towards contributions to provident fund, superannuation and other similar funds by the Company are ₹ 8.08 Crore (Previous Year ₹ 6.31 crore) for the year ended 31 March 2011.

ii) Defined benefit plans:

- Gratuity Plan:** The Company makes annual contribution to the Employee's Group Gratuity Assurance Scheme, administered by the Life Insurance Corporation of India ('LIC'), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.
- 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 year ended 31 March 2011 as required under AS 15 (Revised)

(₹ Crore)

Particulars	Gratuity (funded) as on 31 March 2011	Gratuity (funded) as on 31 March 2010
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	10.52	6.67
Current Service Cost	3.31	2.46
Interest Cost	1.11	0.52
Actuarial (Gain)/loss	0.46	0.30
Past Service cost – Vested Benefit	-	0.83
Benefits Paid	(0.32)	(0.26)
Closing Defined Benefit Obligation	15.08	10.52
Change in Fair Value of assets		
Opening in Fair value of assets	2.76	2.24
Expected Return on Plan Assets	0.22	0.18
Actuarial gain	0.08	0.07
Contribution by Employer	1.75	0.53
Benefits Paid	(0.32)	(0.26)
Closing Fair Value of Plan Assets	4.49	2.76
Net Liability	10.59	7.76

Expense to be recognized in statement of Profit and Loss Account

(₹ Crore)

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Current Service Cost	3.31	2.46
Interest on Defined Benefit Obligation	1.11	0.52
Expected Return on Plan Assets	(0.22)	(0.18)
Net Actuarial Loss	0.38	0.24
Past Service cost – vested benefit recognised during the year	-	0.83
Total Included in Employment Expenses	4.58	3.87
Actual Return on Plan Assets	0.30	0.25
Category of Assets as on 31 March 2011		
Insurer Managed Fund	4.49	2.76

The assumptions used in accounting for the gratuity are set out below:

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Discount rate	8.05%	8.00%
Rate of increase in compensation levels of covered employees	9.00%	8.00%
Expected Rate of return on plan assets*	7.50%	8.00%

* 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 LIC, since the fund is managed by LIC. The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotions and other relevant factors.

SCHEDULES

Experience Adjustments

(₹ Crore)

Particulars	Year Ended				
	31 March 2011	31 March 2010	31 March 2009	31 March 2008	31 March 2007
Defined benefit obligation	15.07	10.52	6.67	-	-
Plan Assets	4.48	2.76	2.24	-	-
Surplus / (Deficit)	(10.59)	(7.76)	(4.43)	-	-
Exp. Adj. on plan Liabilities	(0.67)	0.16	-	-	-
Exp. Adj. on plan Assets	0.08	0.07	-	-	-

Asset Allocations

Since the investments are held in the form of deposit with LIC, 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.

11 Segment Reporting

a) Primary Segment: Geographical Segment

The company, considering its high level of international operations and present internal financial reporting based on geographical location of customer, has identified geographical segment as primary segment.

The geographic segment consists of:

- Domestic (Sales to Customers located in India)
- International (Sales to Customers located outside India)

Revenue directly attributable to segments is reported based on items that are individually identifiable to that segment. The company believes that it is not practical to allocate segment expenses, segment results, fixed assets used 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

(` Crore)

Particulars	Current Year	Previous Year
Operating Revenue - Sales		
Domestic [Net of Excise duty of Rs.112.48 crores (Previous year Rs.71.64 crores)]	4,158.23	2,740.80
International	2,217.43	1,558.98
	<u>6,375.66</u>	<u>4,299.78</u>
Job Charges Collected (Domestic)	12.77	11.39
Profit before Interest & tax (segment results unallocable)	1,237.56	909.87
Less: Interest and finance Charges (Net)	654.37	535.08
Less: Tax	178.83	127.45
Profit after Tax	404.36	247.34
Sundry Debtors		
Domestic	1,548.42	799.41
International	191.78	301.82
	<u>1,740.20</u>	<u>1,101.23</u>

b) Secondary Segment: Business Segment

The company is operating in a single business 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"

- 12** Provision for Income Tax of ₹ 120.57 crore (previous year ₹ 63.56 crore) has been computed on the basis of Minimum Alternate Tax (MAT) in accordance with Section 115JB of the Income Tax Act, 1961, in view of deductions available to the company. Considering the future profitability and taxable positions in the subsequent years, the company has recognized 'MAT credit entitlement' amounting to ₹ 42.25 crore (Previous year ₹ 34.26 crore), aggregating to ₹110.39 crore (previous year ₹ 68.14 crore), as an asset by crediting the Profit and Loss Account for an equivalent amount and disclosed under 'Loans and Advances' (Schedule 11) in accordance with the Guidance Note on "Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961" issued by The Institute of Chartered Accountants of India.
- 13** Grabal Alok (UK) Ltd, an associate Company, ("Grabal Alok UK") has entered into a JPY/USD foreign currency derivative entailing monthly settlement up to October 2012 with a 'knock-out' feature at a stipulated JPY/USD mark. Vide a Novation agreement, the Company has taken over the obligation to meet the liability which may arise from this derivative. Based on an assessment considering a forecast model, Grabal Alok UK has quantified the probable outgo at GBP 2.151 million in it's audited accounts. The Company has accordingly made a provision for an amount of ₹ 15.47 crore (GBP 2.151 mio) against it's obligation.
- 14** The Company had invested ₹ 79.15 crore in 1% cumulative redeemable preference shares of Alok Industries International Ltd ("Alok BVI"), its wholly owned subsidiary in an earlier year, which were redeemed during the year. Alok BVI has investments in step down subsidiaries, an associate company and others ("investee companies"). As of the year end an amount of ₹ 62.28 crore is due to the Company from Alok BVI. Based on an objective assessment of expected cash flow from investee companies, Alok BVI considers the provision for diminution made in the books as adequate. Accordingly, the Company has considered such advance as good of recovery.
- 15** During the previous year, the Company invested in a newly formed company, Triumphant Victory Holding Limited ("TVHL") in the British Virgin Islands, as a strategic long term investment. TVHL has availed of a short term loan facility from Axis Bank-DIFC-Dubai Branch for investment in Alok Industries International Limited by way of Compulsory Convertible Debentures with put option on the Company at the end of due date. The said put option was backed by a lien on fixed deposit of Nil (Previous Year ₹ 444.00 crore) of the Company held by Axis Bank, New Delhi.
- 16** a) The Company, during the year based on the Announcement of The Institute of Chartered Accountants of India "Accounting for Derivatives" along with the principles of prudence as enunciated in Accounting Standard 1 (AS-1) "Disclosure of Accounting Policies" has accounted for derivative forward contracts at fair values.
- On that basis, changes in the fair value / (loss) of the derivative instruments as at 31 March 2011 aggregating to ₹ 72.96 Crore (previous year ₹ 23.95 Crore) has been accounted for by the Company. The charge on account of derivative losses has been computed on the basis of MTM values based on the report of counter parties. Net gain in fair values have been ignored.
- b) Derivative contracts entered into by the company and outstanding as on 31 March 2011 for hedging currency and interest rate related risks
- Nominal amounts of derivative contracts entered into by the company and outstanding as on 31 March 2011 amount to ₹ 2841.73 Crore (previous year ₹ 1,267.46 Crore). Category wise break-up is given below.

(₹ Crore)

Sr. No.	Particulars	31 March 2011	31 March 2010
1	Interest Rate Currency/Swaps	1023.95	1077.87
2	Currency Options*	1342.26	189.59
3	Forward Contract	475.52	-
	Total	2841.73	1267.46

* Represents monthly currency option receivables maturing over period of 5 years.

- c) The year end foreign currency exposure that has not been hedged by derivative instruments or otherwise are as below :

SCHEDULES

1. Amount receivable in foreign currency on account of the following

(₹ Crore)

Particulars	Foreign Currency	Current Year		Previous Year	
		Amount in foreign currency	Rupees	Amount in foreign currency	Rupees
Debtors	USD	1.37	61.12	5.46	246.36
	EUR	0.09	5.51	0.28	17.05
	GBP	0.01	0.48	0.02	1.09
Cash & Bank Balance	USD	-	-	0.79	35.81

2. Amount Payable in foreign currency on account of the following

(₹ Crore)

Particulars	Foreign Currency	Current Year		Previous Year	
		Amount in foreign currency	Rupees	Amount in foreign currency	Rupees
Secured Loans	USD	21.49	959.31	5.50	248.25
	JPY	182.81	98.76	113.98	72.99
	EUR	1.69	106.78	-	-
Interest accrued but not due on loans	USD	0.01	0.43	0.57	25.89
	EUR	0.02	1.44	-	-
Unsecured Loan	USD	-	-	2.38	107.21
	EUR	1.77	112.22	-	-
Sundry creditors	USD	5.96	266.23	0.39	17.71
	JPY	4.31	2.33	-	-
	EUR	0.02	0.97	-	-

- 17 During the year Deutsche Bank, Singapore Branch has subscribed to unsecured floating rate compulsory convertible bonds issued by Alok Industries International Limited (ALOK BVI), a company incorporated in British Virgin Islands (a wholly owned subsidiary) and Grabal Alok (UK) Ltd (GAUK) a company incorporated in the United Kingdom (associate) of the company, of USD 56.5 million each, with a green shoe option of USD 25 million. These bonds are secured by subservient charge on current and movable assets of the company which was created by executing a Deed of Hypothecation on 28 October 2010 in favour of AXIS Trustee Services Limited, Mumbai, India.
- 18 In line with the notification dated 31 March 2009 issued by the Ministry of Corporate Affairs, amending Accounting Standard (AS) 11 – ‘Effect of changes in Foreign Exchange Rates’, the Company has chosen to exercise the option under paragraph 46 inserted in the Standard by the notification.
- Added to fixed assets/ capital work-in-progress ₹ 23.48 crore (Previous year ₹ 75.00 crore) being exchange difference on long term monetary items relating to acquisition of fixed assets.
 - Carried forward ₹ (0.22) crore (previous year ₹ 0.17 crore) in the ‘Foreign Currency Monetary Item Translation Difference Account’ being the amount remaining to be amortised as at 31 March 2011.

SCHEDULES

19. Additional Information required under Schedule VI, Part II of the Companies Act, 1956.

i) Details of Products Manufactured, Turnover, Opening Stock, Closing Stock etc.

Particulars	Unit	Year ended	Installed Capacity per annum +	Opening Stock		Production Quantity @	Purchase		Turnover		Closing Stock	
				Quantity	Amount (₹ Crore)		Quantity #	Amount (₹ Crore)	Quantity #	Amount (₹ Crore)	Quantity	Amount (₹ Crore)
Woven Fabric Manufactured Yarn Dyed	Lacs	March.11	1754 Looms & 19 Stenters	129.89	95.77	2,733.98	-	2,718.87	2,650.40	2,718.87	213.48	260.31
	Mtrs	March.10	1518 Looms & 19 Stenters	253.99	191.21	1,922.97	-	1,788.86	2,047.07	1,788.86	129.89	95.77
	M.T.	March.11	-	17.70	0.32	87.23	-	0.21	40.75	0.21	64.19	1.96
	M.T.	March.10	-	41.04	0.36	89.91	-	0.42	113.25	0.42	17.70	0.32
Knitted Fabric	M.T.	March.11	184 Machines	424.56	9.91	8,801.38	-	241.56	8,613.49	241.56	612.45	19.48
	M.T.	March.10	174 Machines	374.54	7.73	6,852.32	-	142.26	6,802.29	142.26	424.57	9.91
Cotton Yarn – Manufacture	M.T	March.11	330528 Spindles & 3792 Rotors	1,493.57	15.65	15,245.32	-	120.33	13,784.38	120.33	2,954.51	46.51
	M.T.	March.10	300096 Spindles & 2160 Rotors	763.39	6.15	10,989.08	-	71.56	10,258.90	71.56	1,493.57	15.65
Chips	M.T	March.11	2 Machines	521.12	3.15	24,688.62	-	158.90	23,203.83	158.90	2,005.91	16.19
Texturised Yarn	M.T.	March.10	1 Machines	706.11	2.49	41,958.05	-	238.14	42,143.04	238.14	521.12	3.15
	M.T.	March.11	27600 Spindles	3,722.06	32.34	122,171.96	-	1,146.25	121,637.30	1,146.25	4,256.72	50.35
Poy	M.T.	March.10	27816 Spindles	946.74	6.88	106,958.80	-	824.52	104,183.48	824.52	3,722.06	32.34
	M.T.	March.11	5808 Spindles	1,738.98	12.92	39,086.83	-	326.32	39,273.10	326.32	1,552.71	15.92
FDY	M.T.	March.10	5328 Spindles	664.18	4.19	28,978.06	-	201.86	27,903.26	201.86	1,738.98	12.92
	M.T.	March.11	2304 Spindles	-	-	15,484.72	-	142.55	14,005.50	142.55	1,479.21	16.05
Handkerchief	Pcs	March.10	-	-	-	-	-	-	-	-	-	-
Garments	M.T.	March.11	64 Machines	1,183,802	1.53	9,948,690	-	21.39	9,370,892	21.39	1,761,600	2.42
	M.T.	March.10	64 Machines	1,258,423	1.04	6,587,418	-	10.31	6,662,039	10.31	1,183,802	1.53
Made-ups	Pcs	March.11	2587 Machines	640,325	3.90	5,101,577	-	93.18	5,210,263	93.18	531,639	6.75
	Sets	March.10	1647 Machines	401,060	3.30	3,938,429	-	60.69	3,699,164	60.69	640,325	3.90
Pcs.	M.T.	March.11	1026 Machines	183,253	6.34	5,690,108	-	485.49	5,750,763	485.49	122,598	9.94
	M.T.	March.10	948 Machines	120,496	6.92	5,010,290	-	417.03	4,947,533	417.03	183,253	6.34
Pairs	Pcs.	March.11	-	217,754	3.58	3,979,671	-	292.77	4,028,421	292.77	169,004	8.55
	M.T.	March.10	-	177,963	4.20	3,776,641	-	230.54	3,736,850	230.54	217,754	3.58
Terry Towel	M.T.	March.11	48 Looms & 1 Stenters	161,396	8.81	2,129,586	-	111.24	2,244,248	111.24	46,734	2.07
	M.T.	March.10	48 Looms & 1 Stenters	226,474	1.72	2,126,975	-	30.65	2,192,053	30.65	161,396	8.81
Lacs	Mtrs	March.11	48 Looms & 1 Stenters	204.37	11.11	152.61	-	3.46	353.03	3.46	0.00	0.00
	Mtrs	March.10	-	0.45	0.01	1,907.53	-	0.02	1,703.61	0.02	0.14	0.08
Pcs	M.T.	March.11	-	0.14	0.08	2.10	-	0.02	2.24	0.02	0.00	0.00
	M.T.	March.10	-	-	-	0.16	-	0.02	0.02	0.02	0.00	0.08
PSF	M.T.	March.11	-	-	-	14,384,375	-	93.70	13,561,694	93.70	822,681	8.83
	M.T.	March.10	-	-	-	2,242.72	-	12.94	2,097.93	12.94	144.78	0.82
Raw Cotton – Traded	M.T.	March.11	-	-	-	-	-	-	-	-	-	-
	M.T.	March.10	-	-	-	0.90	-	0.30	0.66	0.30	0.24	0.08
Cotton Yarn – Traded	M.T.	March.11	-	-	-	-	-	-	-	-	-	-
	M.T.	March.10	-	12,945.04	94.24	19,759.02	-	429.78	31,150.77	429.78	1,553.29	13.59
Accessories – Traded	M.T.	March.11	-	689.79	3.92	47,091.16	-	251.45	34,835.91	251.45	12,945.04	94.24
	M.T.	March.10	-	-	-	51.00	-	2.85	51.00	2.85	-	-
PTA – Traded	M.T.	March.11	-	-	-	-	-	4.09	88.00	4.09	-	-
	M.T.	March.10	-	-	-	88.00	-	70.00	88.00	70.00	-	-
Total	M.T.	March.11	-	-	-	-	-	13.11	2,002.00	13.11	-	-
	M.T.	March.10	-	-	-	-	-	-	-	-	-	-
Total	M.T.	March.11	-	299.66	-	342.62	-	6,488.14	-	6,488.14	-	479.92
	M.T.	March.10	-	240.12	-	398.46	-	4,371.42	-	4,371.42	-	299.66

* Includes 755 Nos. (Previous year 710 Nos) Double width Looms
 # After Adjusting inter division consumption, excesses, shortages,
 @ Production includes items produced on job work basis by outside parties.
 + As certified by the management

SCHEDULES

Production excludes	Unit	31 March 2011	31 March 2010
1. Job work for Outsiders			
a) Woven Fabric	Lacs Mtrs.	30.88	56.39
b) Knitted Fabric	M.T.	246.48	199.02
c) Woven Fabric for Processing	Lacs Mtrs.	123.38	114.19
d) knitted Fabric for Processing	M.T.	113.13	203.89
e) Cotton Yarn	M.T.	484.74	-
2. Production consumed internally			
a) Woven Fabric for Made-ups	Lacs Mtrs.	569.23	478.96
b) Knitted Fabric for Garments	M.T.	746.00	661.80
c) Woven Fabric for Garments	Lacs Mtrs.	11.05	10.43
d) Yarn for Knitted Fabrics	M.T.	1,163.16	1,184.82
e) Yarn for Woven Fabrics	M.T.	37,982.96	29,056.61
f) Woven Fabrics for Processing	Lacs Mtrs.	1,888.56	1,045.56
g) Knitted Fabrics for Processing	M.T.	8,657.73	6,448.35

(₹ Crore)

PARTICULARS	Units	31 March 2011		31 March 2010	
		Quantity	Value	Quantity	Value
(ii) Raw Material Consumed					
1) Manufacture of woven fabrics					
– Yarn	Kgs	11,353,514	238.11	9,051,938	167.06
– Fabric	Mtrs	132,765,031	981.99	50,326,185	424.22
2) Manufacture of knitted fabrics					
– Yarn	Kgs	2,263,200	49.50	1,206,826	23.03
– Fabric	Kgs	520,228	10.41	314,889	4.44
3) Manufacture of Yarn					
– Poy	Kgs	3,764,277	22.63	9,101,648	53.35
4) Processing					
– Dyes & Chemicals			184.06		151.23
5) Manufacture of Garments					
– Woven Fabrics	Mtrs	490,888	3.63	4,962	0.04
– Knitted Fabrics	Kgs	540,344	16.11	23,626	0.88
6) Manufacture of Poy					
– Polyester Chips	Kgs	2,741,043	24.52	1,419,157	12.57
7) Manufacture of Cotton Yarn					
– Raw Cotton	Kgs	53,230,177	456.55	40,460,595	276.87
8) Manufacture of Chips					
– Chemicals	Kgs	232,779,764	1,168.73	202,296,447	790.09
9) Manufacture of Terry Towel					
– Yarn	Kgs	754,981	14.75	2,962,266	36.57
– Fabric	Mtrs	1,386,134	49.00	-	-
10) Manufacture of Handkerchief					
– Woven Fabrics	Mtrs	542,260	4.06	-	-
			3,224.04		1,940.35

20 (i) CIF Value of Imports

(₹ in Crore)

	2010-11	2009-10
– Capital Goods purchased	399.33	317.56
– Stores & Spares purchased	47.31	77.25
– Raw Material purchased	939.55	505.43
– Packing Materials purchased	7.15	-
	1,393.34	900.24

(ii) Expenditure in Foreign Currency

(₹ Crore)

Nature of Expenses	2010-11	2009-10
Commission on sales	9.96	6.53
Payment to and Provisions for Employees	0.28	0.83
Freight, Coolie and Cartage	1.40	0.83
Insurance	-	7.28
Interest on Fixed Loan	33.26	35.35
Legal and Professional Fees	1.74	11.33
Miscellaneous Expenses	2.27	1.48
Reimbursement of Expenses	11.19	6.13
Sales Promotion Expenses	7.90	12.15
Claim for damaged goods	2.96	3.10
Travelling expenses	0.11	0.39
Bank Charges	4.68	3.07
Power and Fuel	0.01	-
Processing Charges	0.02	-
Rates and Taxes	1.06	0.23
Rent	0.06	-
Repairs and Maintenance – Plant & Machinery	1.99	0.92
Repairs and Maintenance – Others	0.07	-
Exchange Rate Difference	94.37	-
Total	173.33	89.62

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

(₹ Crore)

	2010-11				2009-10			
	Imported		Indigenous		Imported		Indigenous	
	Value	% of Total Consumption	Value	% of Total Consumption	Value	% of Total Consumption	Value	% of Total Consumption
Raw Materials	671.95	20.84%	2,552.09	79.16%	439.01	22.63 %	1501.34	77.37 %
Stores and Spares	32.56	64.30%	18.07	35.70%	67.53	99.97 %	0.02	0.03 %
Packing Materials	7.15	8.86%	73.55	91.14%	5.13	7.84%	60.29	92.16%

(iv) Earning in Foreign Currency

(₹ Crore)

	2010-11	2009-10
– FOB Value of Exports	2032.34	1437.06
– Interest received on Fixed Deposits	0.06	7.45

SCHEDULES

(v) Dividend Remitted in Foreign Exchange

(₹ Crore)

Year of Dividend	2010-11	2009-10
Equity share		
No. of shareholders	-	-
No. of shares held by them	-	-
Dividend remitted during the year (₹ Crore)	-	-
Year to which dividend relates	-	-

- 21 The amounts in balance Sheet, Profit and Loss account and cash flow statement are rounded off to the nearest lakh and denominated in crore of rupees. The figures of the previous year have been reclassified / regrouped wherever necessary to correspond with those of the current year.

In terms of our report attached

For Deloitte Haskins & Sells **For Gandhi & Parekh**
Chartered Accountants Chartered Accountants

R. D. Kamat **Devang B. Parekh**
Partner Partner

Mumbai: 29 July 2011

For and on behalf of the Board

Ashok B. Jiwrajka Executive Chairman
Dilip B. Jiwrajka Managing Director
Surendra B. Jiwrajka Jt. Managing Director
Sunil O. Khandelwal Chief Financial Officer
K. H. Gopal President (Corporate Affairs) & Company Secretary

Mumbai: 29 July 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details					
Registration No.	L17110 DN1986 PLC 00334				
State Code	11				
Balance Sheet Date		31 Day	3 Month	2011 period	
				(Amount in ₹ Thousands)	
II Capital raised during the period					
Public issue					NIL
Right issue					NIL
Bonus issue					NIL
QIP issue					NIL
III Position of mobilisation and deployment of funds					
Total Liabilities					142,502,883
Total Assets					142,502,883
Sources of Funds					
Paid up Capital					7,877,913
Reserves & Surplus					23,097,994
Share Application Money					—
Share Warrants					—
Secured Loan					92,263,977
Unsecured Loan					4,271,708
Deferred Tax Liability					5,076,627
Application of Funds					
Net Fixed Assets					84,884,081
Net Current Assets					46,034,495
Investments					1,671,840
Foreign Currency Translation Monetary Account					(2,197)
IV Performance of the Company					
Turnover					63,884,325
Total Expenditure					58,052,430
Profit before Tax					5,831,896
Profit after Tax					4,043,554
Earning Per Share					
– Basic					5.13
– Diluted					5.13
Dividend Rate					2.50%
V Generic names of Principal Products/Services of the Company					
(as per monetary terms)					
Item Code No.(ITC Code)	5208				
Product description	Woven Fabrics of cotton, containing 85% or more by weight of cotton weighing not more than 200 g/m2				
Item Code No.(ITC Code)	5406				
Product description	Man made filament yarn (other than sewing thread) put up for retail sale.				
Item Code No.(ITC Code)	6001				
Product description	Pile fabric, including 'long pile' fabrics and terry fabrics, knitted or crocheted.				
Item Code No.(ITC Code)	6002				
Product description	Other knitted or crocheted fabric.				

STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212(3) AND 212(5) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

SR NO	NAME OF THE SUBSIDIARY COMPANY	Financial Year to which accounts relate	Holding Company's interest as at close of financial year of subsidiary company	Net aggregate amount of subsidiary company's profits after deducting its losses or vice versa, so far as it concerns members of the Holding Company which are not dealt within the Company's account		Net aggregate amount of subsidiary company's profits after deducting its losses or vice-versa, dealt within the Company's account	Holding Company's interest as at March 31, 2010 incorporating changes since close of financial year of subsidiary company
				For the current financial year (₹ crore)	For the previous financial year (₹ crore)		
			i) Shareholding	ii) Extent of holding %age			
	Overseas						
1	Alok Inc	2010-11	50 Equity Shares of USD 200 each	100	0.00 (loss)	0.04 (loss)	Nil
2	Alok Industries International Limited	2010-11	50000 Equity shares of USD 1 each	100	70.34 (loss)	58.88 (loss)	Nil
3	Alok International Inc	2010-11	1000 Equity Shares of USD 1 each	100	0.88 (loss)	0.51 (profit)	Nil
4	Alok European Retail. s.r.o.	2010-11	200 Equity Share of 1000 CZK Each	100	0.07 (loss)	0.01 (profit)	Nil
5	Mileta a.s	2010-11	1180152 Equity Share of CZK 196 Each	93.21	4.54 (profit)	9.42 (loss)	Nil
	Domestic						
1	Alok Infrastructure Limited	2010-11	50000 Equity Shares of ₹ 10 each	100	2.02 (profit)	1.79 (Profit)	Nil
2	Alok Apparels Private Limited	2010-11	1000000 Equity Shares of ₹ 10 each	100	5.25 (loss)	4.82 (loss)	Nil
3	Alok Retail (India) Limited	2010-11	50000 Equity Shares of ₹ 10 each	100	13.23 (loss)	8.71 (loss)	Nil
4	Alok Realtors Private Limited	2010-11	1750000 Equity Shares of ₹ 10 each	100	0.00 (loss)	0.02 (loss)	Nil
5	Alok Landholdings Private Limited	2010-11	500000 Equity Shares of ₹ 10 each	100	0.00 (loss)	0.01 (loss)	Nil
6	Alok New City Infratex Pvt Ltd	2010-11	50000 Equity Shares of ₹ 10 each	100	0.00 (profit)	0.01 (loss)	Nil
7	Alok Aurangabad Infratex Pvt Ltd	2010-11	50000 Equity Shares of ₹ 10 each	100	0.00 (loss)	0.01 (loss)	Nil
8	Alok HB Hotels Private Limited	2010-11	50000 Equity Shares of ₹ 10 each	100	0.00 (loss)	0.01 (loss)	Nil
9	Alok HB Properties Private Limited	2010-11	50000 Equity Shares of ₹ 10 each	100	0.00 (loss)	0.01 (loss)	Nil
10	Kesham Developers & Infotech Pvt.Ltd	2010-11	2580000 Equity Shares of ₹ 10 each	100	0.68 (profit)	0.48 (Profit)	Nil
11	Springdale Information & Technology Pvt. Ltd.	2010-11	600000 Equity Shares of ₹ 10 each	100	0.03 (loss)	0.00 (profit)	Nil
12	Alok H&A Limited	2010-11	36050000 Equity Shares of ₹ 10 each	100	2.17 (loss)	0.58 (profit)	Nil

FINANCIAL INFORMATION RELATING TO SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31ST MARCH 2011

(Crore)

	Name of the subsidiary	Capital	Reserve	Total Assets	Total Liabilities	Investment* (other than investment in subsidiaries)	Turnover	Profit before Tax	Provision for tax	Profit after tax	Proposed Dividend
1	Alok Industries International Limited@	0.22	(110.63)	565.45	675.86	451.65	—	(70.34)	—	(70.34)	—
2	Alok Inc. @	0.04	0.14	0.40	0.22	—	—	(0.00)	—	(0.00)	—
3	Alok Infrastructure Limited	0.05	7.28	980.88	973.55	84.23	258.79	3.43	1.42	2.01	—
4	Alok Apparels Private Kunued*	10.00	(13.44)	52.44	55.88	—	10.90	(7.98)	(2.73)	(5.25)	—
5	Alok Retail (India) Limited	0.05	(26.06)	49.89	75.90	—	20.85	(13.32)	—	(13.32)	—
6	Alok Realtors Private Limited*	532.49	(0.33)	1,229.11	696.95	—	—	(0.00)	—	(0.00)	—
7	Alok Land holdings Private Limited*	25.24	(0.23)	25.01	—	—	—	(0.00)	—	(0.00)	—
8	Alok New City Infratex Private Limited	0.05	(0.01)	0.04	—	0.04	—	0.00	—	0.00	—
9	Alok Aurangabad Infratex Private Limited	0.05	(0.01)	0.04	—	0.04	—	(0.00)	—	(0.00)	—
10	Alok HB Hotels Private Limited	0.05	(0.01)	0.04	—	0.04	—	(0.00)	—	(0.00)	—
11	Alok HB Properties Private Limited	0.05	(0.01)	0.04	—	0.04	—	(0.00)	—	(0.00)	—
12	Mileta, a.s.#	55.14	12.89	172.19	104.16	—	129.33	4.45	(0.10)	4.55	—
13	Alok International Inc. @	0.00	0.25	31.63	31.38	4.47	46.82	(0.85)	—	(0.85)	—
14	Alok European Retail, s.r.o.#	0.05	(0.64)	0.02	0.61	—	—	(0.07)	—	(0.07)	—
15	Kesham Developers & Infotech Pvt.Ltd.*	15.58	2.60	18.52	0.34	—	—	1.23	0.27	0.96	—
16	Springdale Information & Technology Pvt. Ltd.*	1.05	0.20	1.33	0.08	—	—	0.00	0.04	(0.04)	—
17	Alok H&A Limited**	36.05	(0.90)	119.91	84.76	0.01	40.37	(2.11)	(0.62)	(1.49)	—

@ Balance sheet items are translated at closing exchange rate of INR 44.65/USD and Profit/(Loss) items are translated at average closing rate of INR 45.58/USD

Balance sheet items are translated at closing exchange rate of INR 2.60/CZK and Profit/(Loss) items are translated at average closing rate of INR 2.42/CZK

* Including share application money.

** Unaudited figures

Note :

The Ministry of Corporate Affairs, Government of India vide its order No. 47/720/2010-CL-III dated 15.02.2011 issued under section 212 (8) of the companies Act, 1956, has exempted the company from attaching the documents of company's subsidiaries, required to be attached under section 212 (1) of the companies Act, 1956, for the financial year ended on 31.03.2011. However annual accounts of the Subsidiary Companies and the related detailed information will be made available to the investors of the company and subsidiaries of the Company, seeking such information at any point of time. The annual accounts of the subsidiary companies are available for inspection by any investor at the Registered Office of the company and the concerned Subsidiary of the company.

consolidated reports

consolidated reports

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To,
The Board of Directors
Alok Industries Limited

1. We have audited the attached Consolidated Balance Sheet of **Alok Industries Limited** ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 31st March 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Financial statements of certain subsidiaries, which reflect total assets of Rs.419.50 crore as at 31st March, 2011, total revenue of Rs.50.58 crore and net cash inflows amounting to Rs.44.52 crore for the year then ended, as considered in the Consolidated Financial Statements, have been audited by one of us.
4. We did not audit the financial statements of certain subsidiaries and joint ventures, whose financial statements reflect total assets of Rs.1,911.41 crore as at 31st March 2011, total revenues of Rs.228.21 crore and net cash outflows amounting to Rs.134.00 crore for the year ended on that date and financial statements of certain associates in which the share of loss of the Group is Rs.10.09 crore, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries, joint ventures and associates is based solely on the reports of the other auditors.
5. We have relied on the unaudited financial statements of a subsidiary and a joint venture, whose financial statements reflect total assets of Rs.105.86 crore as at 31st March 2011, total revenue of Rs. 52.40 crore and net cash outflows amounting to Rs.59.60 crore for the year ended on that date and financial statements of an associate in which the share of loss of the Group is Rs.0.80 crore, as considered in the Consolidated Financial Statements. These unaudited financial statements as approved by the respective Board of Directors of the Companies have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of the subsidiary, joint venture and an associate is based solely on such approved unaudited financial statements.
6. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.
7. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, subsidiaries, joint ventures, associates and on the other financial information of the components and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements, read with para 5 above, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;
 - b. in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and
 - c. in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants
Firm Registration No. 117366W

For Gandhi & Parekh
Chartered Accountants
Firms Registration No. 120318W

R. D. Kamat
Partner
Membership No.36822
Place : Mumbai
Date : 29 July 2011

Devang B. Parekh
Partner
Membership No. 105789

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2011

(₹ Crore)

PARTICULARS	SCHEDULE NO.	AS AT 31.03.2011	AS AT 31.03.2010
I SOURCES OF FUNDS			
(1) Shareholders' Funds			
(a) Capital	1	787.79	787.79
(b) Share Application Money		-	227.57
(c) Reserves and Surplus	2	2,004.27	1,769.62
		2,792.06	2,784.98
(2) Minority Interest		4.62	3.62
(3) Loan Funds			
(a) Secured Loans	3	10,717.59	8,798.15
(b) Unsecured Loans	4	1,239.72	874.42
		11,957.31	9,672.57
(4) Foreign Currency Translation Difference Account (Refer note no. 19 of part B of Schedule 19)		0.22	-
(5) Deferred Tax Liability (Refer note no. 9 of part B of Schedule 19)		507.84	407.15
TOTAL		15,262.05	12,868.32
II APPLICATION OF FUNDS			
(1) Fixed Assets			
(a) Gross Block	5	9,395.28	7,632.81
(b) Less : Depreciation / Amortization		1,689.32	1,157.20
(c) Net Block		7,705.96	6,475.61
(d) Capital Work-in-Progress	6	2,263.57	1,691.42
		9,969.53	8,167.03
(2) Investments	7	478.96	416.86
(3) Foreign Currency Translation Difference Account (Refer Note 19 of part B of Schedule.19)		-	0.17
(4) Deferred Tax Assets (Refer note no. 9 of part B of Schedule 19)		7.54	4.19
(5) Current Assets, Loans and Advances			
(a) Inventories	8	2,167.11	1,567.82
(b) Sundry Debtors	9	1,814.20	1,126.46
(c) Cash and Bank Balances	10	1,202.27	1,410.67
(d) Loans and Advances	11	837.42	910.51
		6,021.00	5,015.46
Less: Current Liabilities and Provisions			
(a) Current Liabilities	12	1,135.42	729.90
(b) Provisions	13	79.56	57.97
		1,214.98	787.87
Net Current Assets		4,806.02	4,227.59
(6) Profit & Loss Account		-	52.48
TOTAL		15,262.05	12,868.32
Significant Accounting Policies And Notes To The Accounts	19		

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

R. D. Kamat

Partner

Mumbai: 29 July 2011

For Gandhi & Parekh

Chartered Accountants

Devang B. Parekh

Partner

For and on behalf of the Board

Ashok B. Jiwarajka

Dilip B. Jiwarajka

Surendra B. Jiwarajka

Sunil O. Khandelwal

K. H. Gopal

Mumbai: 29 July 2011

Executive Chairman

Managing Director

Jt. Managing Director

Chief Financial Officer

**President (Corporate Affairs)
& Company Secretary**

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH

(₹ Crore)

PARTICULARS	SCHEDULE NO	Year Ended 31.03.2011	Year Ended 31.03.2010
INCOME			
Sales (inclusive of excise duty)	14	6,714.22	4,484.36
Less : Excise duty		112.48	71.64
		6,601.74	4,412.72
Job Work Charges Collected (Tax deducted at source ₹ 0.28 crore [Previous year ₹ 0.26 crore])		13.16	11.62
		6,614.90	4,424.34
Other Income	15	5.03	64.68
Increase in Stocks of Finished Goods and Process Stock	16	267.67	305.73
		6,887.60	4,794.75
EXPENDITURE			
Purchase of Traded Goods		468.99	521.86
Manufacturing and Other Expenses	17	4,711.37	3,041.10
Interest (Net)	18	675.03	578.90
Depreciation / Amortisation		530.97	366.92
PROFIT BEFORE TAX		501.24	285.97
Provision for Tax			
- Current tax		(123.52)	(65.94)
- MAT credit entitlement		42.25	34.26
- Deferred tax		(97.34)	(96.96)
- Fringe Benefit tax		-	0.02
- Excess/(Short) Provision for Income tax of earlier years		0.11	0.46
PROFIT FOR THE YEAR BEFORE MINORITY INTEREST		322.74	157.81
Share of Loss from Associates		(10.89)	(20.74)
Add/(Less): Minority Interest		(0.31)	0.64
PROFIT AFTER TAX		311.54	137.71
Add : Balance brought forward from previous year		(52.48)	149.78
AMOUNT AVAILABLE FOR APPROPRIATION		259.06	287.49
APPROPRIATIONS			
Add : (short) provision for Dividend of earlier year (previous year ₹. 0.15 crore)		(0.40)	(0.15)
Less : Transfer to General Reserve		(25.03)	(20.23)
Transfer from/(to) Debenture Redemption Reserve		384.30	(296.63)
Proposed Dividend on Equity Shares		(19.69)	(19.69)
Corporate Dividend Tax thereon		(3.27)	(3.27)
BALANCE CARRIED TO BALANCE SHEET		594.97	(52.48)
EARNINGS PER SHARE (In ₹)			
Basic and Diluted		3.95	2.54
(Refer Note no. 10 of Part B of Schedule 19)			
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	19		

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

For Gandhi & Parekh
Chartered Accountants

R. D. Kamat
Partner

Devang B. Parekh
Partner

Ashok B. Jiwrajka Executive Chairman
Dilip B. Jiwrajka Managing Director
Surendra B. Jiwrajka Jt. Managing Director
Sunil O. Khandelwal Chief Financial Officer
K. H. Gopal President (Corporate Affairs) & Company Secretary

Mumbai: 29 July 2011

Mumbai: 29 July 2011

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

(₹ Crore)

PARTICULARS	Year Ended 31.03.2011	Year Ended 31.03.2010
A) Cash Flow from Operating Activities		
Net Profit Before Tax	501.24	285.97
Adjustments for:		
Depreciation / Amortisation	530.97	366.92
Diminution in the value of investment	16.88	14.99
Loss by Fire	-	37.91
Dividend Income	(0.36)	(0.79)
Interest Paid (net)	675.03	578.90
Loss/(Profit) on sale of fixed assets (net)	0.03	(2.97)
(Profit)/loss on sale of current investments (net)	(1.16)	(0.66)
Operating Profit before working capital changes	1,722.63	1,280.27
Adjustments for		
Increase in Inventories	(599.29)	(499.14)
Increase in Trade Receivables	(687.74)	(212.69)
Decrease/(Increase) in Loans and Advances	125.86	(247.28)
Increase in Current Liabilities	479.80	61.24
Cash Generated from operations	1041.26	382.40
Income Taxes Paid	(128.45)	(55.68)
Net cash Generated from Operating Activities	912.81	326.72
B) Cash flow from Investing Activities		
Purchase of Fixed Assets	(2,340.79)	(2,099.78)
Sale / adjustments of fixed assets	14.05	9.00
Purchase of Investments	(214.13)	(964.62)
Sale of Investments	127.24	819.38
Fixed Deposits & Margin Money deposits matured/(placed)	(318.04)	(649.25)
Dividends Received	0.36	0.79
Interest Received	62.04	19.87
Share Application money paid / (received)	(0.16)	(2.03)
Inter Corporate Deposits (granted) / refunded - net	(3.44)	1.62
Net cash used in Investing Activities	(2,672.87)	(2,865.02)
C) Cash flow from Financing Activities		
Proceeds from issue of Equity Share Capital (including premium) (Net)	0.00	736.74
Share Application money (repaid) / received (Net)	(227.57)	36.01
Proceeds from Term borrowings	4,144.40	3,948.69
Repayment of Term borrowings	(2,751.40)	(1,826.15)
Proceeds / (Repayment) from other Term Borrowings	892.14	604.58
Dividend Paid (Including Tax thereon)	(23.33)	(17.43)
Interest Paid	(798.62)	(576.31)
Net cash Generated from Financing Activities	1,235.62	2,906.13
D) Effect of changes in Exchange rate difference	(2.00)	(33.83)
Net Increase in Cash and Cash equivalents (A+B+C+D)	(526.44)	334.00
Cash and Cash equivalents		
at the beginning of the Year	693.78	359.78
at the end of the Year	167.34	693.78

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

Cash and cash equivalents

1 Purchase of fixed assets are stated inclusive of movements of Capital Work in Progress between the commencement and end of the period and is considered as part of investing activity.

2 Cash and Cash equivalents includes :

	March 31, 2011 ₹ in Crore	March 31, 2010 ₹ in Crore
Cash and Bank Balances	1,202.27	1,410.67
Less: Margin Money Deposit*	136.24	115.69
Less: Fixed Deposits Pledged *	845.45	444.00
Less : Deposit with maturity period of more than 3 months **	53.24	157.20
Total Cash and Cash equivalents	167.34	693.78

* Margin money & fixed deposit pledged being restricted for its use have been excluded from cash and cash equivalent and grouped under the investment activity.

** Fixed Deposits with maturity period of more than three months have been excluded from cash and cash equivalent and grouped under the investment activity.

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

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

R. D. Kamat

Partner

Mumbai: 29 July 2011

For Gandhi & Parekh

Chartered Accountants

Devang B. Parekh

Partner

For and on behalf of the Board

Ashok B. Jiwrajka

Executive Chairman

Dilip B. Jiwrajka

Managing Director

Surendra B. Jiwrajka

Jt. Managing Director

Sunil O. Khandelwal

Chief Financial Officer

K. H. Gopal

President (Corporate Affairs) &
Company Secretary

Mumbai: 29 July 2011

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

(₹ Crore)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE '1'		
CAPITAL		
Authorised :		
90,00,00,000(previous year 90,00,00,000) Equity shares of ₹10/- each	900.00	900.00
	<u>900.00</u>	<u>900.00</u>
Issued and Subscribed :		
Equity Share Capital		
78,77,84,357 (Previous Year 78,77,98,278) Equity shares of ₹ 10/- each fully paid up	787.78	787.80
Add : Forfeited Share (13,921 shares of ₹ 10/- each of ₹ 5 Paid up)	0.01	
Less : Calls in Arrears (Nil (Previous Year 22,316) shares of ₹ 10/- each of ₹ 5 Paid up)	-	(0.01)
	<u>787.79</u>	<u>787.79</u>
Total	<u>787.79</u>	<u>787.79</u>

NOTES :

- a) During the year ended 31 March 2010, 59,08,23,309 equity shares were issued as under:
- i] 40,87,23,061 Equity Shares of ₹10/- issued at a premium aggregating to ₹ 40.87 crore on Rights basis in the ratio of 83 Rights Equity Shares for every 40 Equity Shares held.
 - ii] 18,21,00,248 Equity Shares of ₹10/- issued at a premium aggregating to ₹ 242.56 crore in Qualified Institutional Placements (QIP).
- b) Of the above shares :
- i] 7,45,396 equity shares were allotted as Bonus shares by way of capitalisation of General Reserve.
 - ii] 62,550 equity shares being forfeited shares were reissued during 2001.

(₹ Crore)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE '2'		
RESERVES AND SURPLUS		
Capital Reserve		
Balance as per last Balance Sheet	10.23	0.03
Add : credited during the year	-	10.20
	<u>10.23</u>	<u>10.23</u>
Capital Reserve (on Consolidation)		
Balance as per last Balance Sheet	10.66	12.48
Add : Translation difference on restatement	0.95	
Add : (Reduction)/Addition on account of Additional Investment	-	(1.82)
	<u>11.61</u>	<u>10.66</u>
Capital Redemption Reserve		
Balance as per last Balance Sheet	2.20	2.20
Securities premium account		
Balance as per last Balance Sheet	880.39	596.96
	-	283.43
	<u>880.39</u>	<u>880.39</u>
General Reserve		
Balance as per last Balance Sheet	250.22	229.99
Add: Transferred from Profit and Loss Account	25.03	20.23
	<u>275.25</u>	<u>250.22</u>
Debenture Redemption Reserve		
Balance as per last Balance Sheet	604.68	308.05
Add: Transferred from Profit and Loss Account	(384.30)	296.63
	<u>220.38</u>	<u>604.68</u>
Foreign Currency Translation Reserve	9.24	11.24
Surplus in Profit and Loss Account	594.97	-
Total	<u>2,004.27</u>	<u>1,769.62</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

(₹ Crore)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE '3'		
SECURED LOANS		
a. Debentures (See note 1 below)		
12.50% Redeemable Non Convertible Debentures	200.00	-
11.50% Redeemable Non Convertible Debentures	200.00	-
11.00% Redeemable Non Convertible Debentures	-	300.00
10.75% Redeemable Non Convertible Debentures	100.00	-
8.00% Redeemable Non convertible Debentures	250.00	100.00
7.30% Redeemable Non convertible Debentures	-	500.00
	750.00	900.00
b. Term Loans (See note 2 below)		
(1) From Financial Institutions		
-Rupee Loans	388.91	581.19
-Foreign currency loans	248.65	184.25
	637.56	765.44
(2) From banks		
-Rupee Loans	6,823.21	5,619.42
-Foreign currency loans	553.61	660.68
	7,376.82	6,280.10
	8,014.38	7,045.54
c. Compulsorily Convertible Bonds (see note 3 below)	226.47	-
d. From Banks on Cash Credit Accounts, Working capital, demand loans etc (see note 4 below)	1,718.75	848.11
[Including ₹ 469.42 crore loan in foreign currency (previous year ₹ 352.44 crore)]		
e. Vehicle loans from Banks (see note 5 below)	7.99	4.50
Total	10,717.59	8,798.15

Notes

- 1
 - a) All the debentures in a) and b) above are / were secured by pari passu charge on the immovable property situated at Mouje Irana, Taluka Kadi, District Mehsana in the state of Gujarat
 - b) The debentures of ₹ 500 crore in b) above are secured by subservient charge on fixed and current assets of the Company (excluding Land and Building).
2. **Term loans are secured as under :**
 - a) Term loans from financial institutions and from banks (Including foreign currency loans) to the extent of ₹ 106.92 crore (previous year ₹ 139.38 crore) and ₹ 2,492.99 crore (previous year ₹ 2,770.24 crore) respectively, are secured by (i) a pari passu first charge created/to be created on all present and future movable and immovable assets of the company subject to exclusive charges created/to be created on specific fixed assets in favour of specified lenders. (ii) a charge created/ to be created on all current assets of the company subject to a prior charge on such current assets created/to be created in favour of the company's bankers towards working capital requirements and (iii) the personal guarantees of three promoter directors.
 - b) Term loan from the bank to the extent of ₹ 22.64 crore (Previous Year ₹ 24.28 crore) is secured by (i) a first charge created/ to be created on the entire present and future movable fixed assets of the company (ii) mortgage of immovable properties located at falandi-Silvassa (iii) the personal guarantee of Promoter Directors.
 - c) Term loan from banks and Financial Institution to the extent of ₹ 655.73 crore (previous year ₹ 267.46 crore) is secured by (i) an exclusive charge created on specific assets financed by them and (ii) the personal guarantees of promoter directors.
 - d) Term Loan from Bank and Financial Institution of ₹ 454.11 crore (Previous year ₹ Nil) and ₹ 230.00 Crore (Previous year ₹ 475.00) respectively is secured by (i) First and exclusive charge over the mortgage property to secure loan amount. (ii) a charge by way of mortgage deed created on commercial offices situated at 1-8th floor, Ashford Centre, Matulya Mill Comp., Ganpat Rao Kadam marg, Lower Parel, Mumbai.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

- e) Term loans from the Banks and Financial Institutions to the extent of ₹ 318.97 crore (previous year ₹ 404.19 crore) and ₹ 189.00 crore (previous year ₹ 38.22 crore) respectively, are secured by (i) subservient charge on all movable assets of the Company present and future subject to prior charge on specific movable assets in favour of the company's term lenders and towards working capital requirements (ii) the personal guarantee of Promoter Directors.
- f) Term loans from the Banks to the extent of ₹ 9.58 crore (previous year ₹ 13.20 crore) are secured by (i) subservient charge on all assets of the Company excluding Land and Building (ii) Pledge of company's investment in a subsidiary viz. Alok Industries International Limited (iii) the personal guarantee of Promoter Directors.
- g) Term loan from the Bank to the extent of ₹ 3,422.81 crore (previous year ₹ 2800.72 crore) , are secured by subservient charge on all present and future moveable fixed assets, stocks and receivables of the Company subject to prior charge in favour of the company's term lenders and working capital bankers.
- h) Term loan from Financial Institution of ₹ 111.63 crore (previous year ₹ 112.85 crore) is secured by (i) subservient charge on all the present and future moveable fixed assets of the company except land and building
3. Bonds are secured by subservient charge on current and moveable assets of the company created by executing Deed of Hypothecation on 20 October 2010 in favour of Axis Trustees Services Limited, Mumbai, India and by way of pledge of 93.21% of shareholding of Alok Industries International Limited in Mileta,a.s. - a step down subsidiary of the Company and 90.43% shareholding of Alok Industries International Limited and Grabal Alok International Limited in Grabal Alok UK, an associate of the Company (Refer note no 17 of part B of Schedule 19).
4. a) Working Capital limits from banks are secured by (i) hypothecation of Company's inventories, book debts etc. (ii) second charge created / to be created on the fixed assets of the Company (iii) immovable properties belonging to the Company / Guarantors and (iv) the personal guarantees of three promoter and director of Company.
- b) Demand loan from Banks of Rs. 845.45 crores (previous year Rs. Nil) is secured by pledge of Fixed Deposit of Holding company.
5. Vehicle loans are secured by vehicles under hypothecation with banks against such loans taken.

(₹ Crore)

PARTICULARS		AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE '4'			
UNSECURED LOANS			
(a) Term Loans and Advances			
From Banks and Financial Institutions			
-Rupee Loans	814.95		193.00
-Foreign currency loans	112.22		122.81
		927.17	315.81
(b) Nil (Previous year 475) 1% Foreign Currency Convertible Bonds		-	107.21
(c) Compulsory Convertible Debentures (Refer note 2 below)		312.55	451.40
Total		1,239.72	874.42

NOTES:

1. Term Loan from banks To the extent of ₹ 44.95 crore (Previous year ₹ 40.00) are secured by Personal Guarantee of Promoter Directors.
2. 70,000 (previous year 100,000) compulsory convertible Debentures of USD 1,000 each issued by Alok Industries International Limited to Triumphant Victory Holdings Ltd (TVHL) to be converted into preference shares.
3. Term Loan from banks Includes commercial paper of ₹ 720 crore (previous year ₹ Nil), maximum amount outstanding at any time during the year ₹ 915 crore (previous year ₹ Nil)

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE '5' FIXED ASSETS

(₹ in crore)

SR. NO.	DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		AS AT 01.04.2010	ADDITIONS	DEDUCTIONS/ ADJUSTMENTS	AS AT 31.03.2011	AS AT 01.04.2010	FOR THE YEAR	DEDUCTIONS/ ADJUSTMENTS	AS AT 31.03.2011	AS AT 31.03.09
TANGIBLE ASSETS :										
1	Freehold Land	111.68	27.32	0.15	138.85	-	-	-	138.85	111.68
2	Leasehold Land	0.56	-	-	0.56	0.13	0.01	-	0.42	0.43
3	Factory Building	1,669.19	276.73	4.73	1,941.19	141.60	55.23	2.02	1,746.38	1,527.59
4	Office Premises	26.60	-	-	26.60	2.27	0.43	-	23.90	24.33
5	Plant and Machinery	5,415.92	1,429.41	6.97	6,838.36	950.67	446.49	(2.90)	1,400.06	4,465.25
6	Computer and Peripherals	26.77	3.74	0.06	30.45	14.13	3.71	0.01	17.83	12.64
7	Office Equipment	9.66	0.92	0.07	10.51	2.33	0.88	0.02	3.19	7.33
8	Furniture and Fittings	87.51	10.88	-	98.39	15.12	6.46	-	21.58	72.39
9	Vehicles	8.67	15.92	0.95	23.64	2.73	5.06	0.01	7.78	5.94
10	Tools and Equipment	49.20	6.66	-	55.86	6.50	3.86	-	10.36	42.70
	Sub - Total	7,405.76	1,771.58	12.93	9,164.41	1,135.48	522.13	(0.84)	1,658.45	6,270.28
INTANGIBLE ASSETS										
1	Goodwill on consolidation*	155.53	0.89	-	156.42	-	-	-	156.42	155.53
2	Computer Software	16.48	2.93	-	19.41	6.54	3.08	(0.31)	9.93	9.94
3	Trademarks / Brands	55.04	-	-	55.04	15.18	5.76	-	20.94	39.86
	Sub - Total	227.05	3.82	-	230.87	21.72	8.84	(0.31)	30.87	205.33
	Total	7,632.81	1,775.40	12.93	9,395.28	1,157.20	530.97	(1.15)	1,689.32	6,475.61
	TOTAL PREVIOUS YEAR	4,754.32	2,888.19	9.70	7,632.81	797.46	371.81#	12.07	1,157.20#	

Notes :

1. Plant & Machinery includes loss of Rs. 15.96 crore (previous year gain of Rs. 75 crore) in liability payable in foreign currency consequent upon changes in the exchange rates.
2. Additions to Plant & Machinery includes interest capitalised Rs. 47.35 Crore (previous year Rs. 83.92 Crore)
- # Depreciation for the previous year includes Rs. 4.89 crores being depreciation related to pre acquisition period of increase in stake of subsidiary company.
- * Includes goodwill on consolidation of Joint venture Entities Rs. 50.11 crore (previous year Rs. 49.22 crore)

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

(₹ Crore)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE '6'		
CAPITAL WORK IN PROGRESS		
Capital Expenditure On Projects	1,150.51	948.44
Advance For Capital Expenditure	1,113.06	742.98
Total	2,263.57	1,691.42

- a) Capital expenditure incurred on Projects includes :
- i] ₹ 12.74 crore (previous year ₹ 39.11 crore) on account of pre-operative expenses
 - ii] ₹ 1,134.05 crore (Previous year ₹ 910.05 crore) on account of cost of construction material and plant and machinery under erection. This Amount includes exchange loss ₹ 7.52 crore (previous year Nil) and interest capitalised of ₹ 115.30 crore (previous year ₹ 48.10 crore)
- b) Advance for capital expenditure includes advance of Rs. 935 crore (previous year Rs. 625 crore) given towards acquisition of Tower "B" in the Peninsula Business Park at Lower Parel.

(₹ Crore)

PARTICULARS		AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE '7'			
INVESTMENTS			
A) LONG TERM INVESTMENTS (At cost / carrying amount unless otherwise stated) - fully paid			
In Equity shares			
Others - Unquoted			
Shirt Company (India) Limited [11,333 (previous year 33,333) Equity Shares of ₹ 10/- each]	0.20		0.50
Dombivali Nagri Sahakari Bank Limited. [10,000 Equity Shares of ₹ 50/- each]	0.05		0.05
Kalyan Janata Sahakari Bank Limited [10,000 Equity Shares of ₹ 25/- each]	0.03		0.03
Saraswat Bank Limited (₹ 25,000/-) [2500 Equity Shares (previous year Nil) of ₹ 10/- each]	0.00		-
Trimphunt Victory Holdings Limited (₹ 45.14/-) [1 Equity share of USD 1 each]	0.00		0.00
Grabal Alok International Limited (₹ 1,121.25/-) [25 Equity Shares (previous year Nil) of USD 1 each]	0.00		-
Wel-Treat Environ Management Organisation (₹ 36,500/-) [3,650 Equity Shares (previous year Nil) of 10 each]	0.00		-
Associate Companies			
Next Creations Holdings LLC	4.47		-
Subscription towards 33% Membership Interest			
Less: Share in post acquisition accumulated loss	(0.80)		-
	3.67		-
Alspun Infrastructure Limited [25,000 Equity shares of ₹10 each] (Including goodwill on acquisition of stake of Associates ₹ 0.04 crore)	0.08		0.08
Less: Share in post acquisition accumulated loss	(0.06)		(0.06)
	0.02		0.02

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

(₹ Crore)

PARTICULARS		AS AT 31.03.2011	AS AT 31.03.2010
Grabal Alok (UK) Limited 237,197,008 (Previous Year 237,197,008) Ordinary Shares of GBP 0.001 each (Including goodwill on acquisition of stake of Associates ₹ 232.57 Crore)	310.81		314.22
Less: Share in post acquisition accumulated loss	(92.17)		(88.76)
	218.64		225.46
Nirvan Builders Private Limited[16,600,Equity Shares of ₹ 10 each] Less: Share in post acquisition accumulated loss (₹ 25,141) (Previous year ₹ 24,338)	0.02 (0.00)		0.02 (0.00)
	0.02		0.02
Ashford Infotech [25,00,000 (Previous year 50,000) Equity Shares of ₹ 10/- each] (Including goodwill on acquisition of stake of Associates ₹ 2.43 Crore)	2.50		0.05
Add/(Less): Share in post acquisition accumulated (Loss)/Profit	(0.06)		0.06
	2.44		0.11
		225.07	226.19
Others - Quoted			
Grabal Alok Impex Limited [19,00,000 Equity Shares of ₹ 10/- each]		3.99	3.99
In Preference Shares			
In Associates Companies			
11,970,552 (Previous Year 11,970,552) Preference shares in Grabal Alok International Limited of USD 1/- each.	53.45		54.04
Ashford Infotech Pvt. Ltd. [5,00,000 Preference Shares of ₹ 10/- each at a premium of ₹ 64.99 crores]	65.49		-
		118.94	54.04
Other Unquoted			
In Associates Company			
Convertible Loan notes of Grabal Alok (UK) Limited		79.12	-
B) SHORT TERM INVESTMENTS (At lower of cost or fair value)			
In equity shares Quoted			
United Bank of India (Nil (Previous Year 22,130) Equity Shares of ₹ 10/- each)		-	0.15
In Bonds - Unquoted			
Laxmi Vilas Bank Tier II Bonds (20 (Previous Year 20) Bonds of ₹ 10,00,000 each)		2.00	2.00
In Mutual Funds - Unquoted			
AXIS Infrastructure Fund [72,035 (previous year 68,474.99) units of ₹ 1000/- each]	7.20		6.85
SBI Short Horizon Fund Ultra Short Term (Nil (Previous year 23,51,259.334) units of ₹ 10/- each)	-		2.50
SBI Magnum Insta Cash Fund (78,08,875.4761 (Previous year Nil) units of ₹ 10/- each)	17.00		-
Peerless Liquid Fund Collection A/C (9,35,506.202 (Previous year Nil) units of ₹ 10/- each)	1.00		-
Principal PNB Long Term Equity Fund 3 Year Plan - Series II (Nil (Previous year 12,50,000) units of ₹10/- each)	-		0.56
LIC Income Plus Fund- Daily Dividend Plan, Reinvestment (3,06,54,802.764 (Previous year Nil.) units of ₹10 each)	-		11.06
IDFC Money Manager Fund Daily Dividend (49,652.926 (Previous year Nil) units of ₹ 10/- each)	0.05		-

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

(₹ Crore)

PARTICULARS		AS AT 31.03.2011	AS AT 31.03.2010
Taurus Liquid Fund	0.16		-
(16,57,032 (Previous year Nil) units of ₹ 10/- each)			
		25.41	20.97
C) Share Application Money			
Associate companies			
Alspun Infrastructure Limited	16.16		16.00
Ashford Infotech Private Ltd	-		67.94
		16.16	83.94
D) Others			
PowerCor			
Subscription towards 5% Group B Membership interest		33.06	33.43
Less: Provision		(24.80)	(8.36)
		8.26	25.07
Aisle 5 LLC			
22 senior units of the equity capital		5.85	5.91
Less: Provision		(5.85)	(5.91)
		-	-
Other Investment		0.01	0.51
TOTAL		478.96	416.86
Note:			
1) Quoted Investment : Aggregate cost / carrying value		3.99	4.14
: Aggregate market value		6.08	9.64
2) Unquoted Investment : Aggregate cost / carrying value		458.80	328.80

(₹ Crore)

PARTICULARS		AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE '8'			
INVENTORIES [At Cost or Net Realisable value whichever is lower]			
Stores, Spares, Packing Materials and others		66.81	38.69
Stock-in-trade :			
Raw Materials	604.47		318.21
(Includes goods in transit ₹ 138.62 crore (previous year ₹ 41.66 crore)			
Process Stock	900.36		856.24
Finished Goods / Traded Goods	578.24		354.68
		2,083.07	1,529.13
Real Estate Project Cost		17.23	-
TOTAL		2,167.11	1,567.82

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

(₹ Crore)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE '9'		
SUNDRY DEBTORS (Unsecured)		
Debts Outstanding for a period exceeding six months	124.05	40.96
Other Debts	1,701.38	1,091.85
	1,825.43	1,132.81
Less : Provision	11.23	6.35
TOTAL	1,814.20	1,126.46
Considered Good	1,814.20	1,126.46
Considered Doubtful	11.23	6.35
TOTAL	1825.43	1,132.81

NOTE : Sundry Debtors includes ₹ 64.90 crore (previous year ₹ 38.43 crore) towards contractual obligations on account of Export Incentives Receivables.

(₹ Crore)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE '10'		
CASH AND BANK BALANCES		
Cash on hand	1.37	1.99
Bank Balances :		
a) With Scheduled Banks :		
- In Cash Credit Accounts	1.36	2.34
- In Current Accounts	77.45	705.88
- In Deposit Accounts [Including interest accrued thereon ₹ 3.56 crore (previous year ₹ 0.96 crore)]	985.56	541.62
- In Margin Money Deposits	136.24	116.07
b) With Others		
- In Current Account	0.28	8.46
- In Deposit Accounts	0.01	34.31
TOTAL	1,202.27	1,410.67

Deposit Accounts include :

- Includes ₹ 41.29 crore (Previous year ₹ 79.19 crore) kept in bank fixed deposits pending utilisation towards project.
- Margin Money Deposit Includes ₹ 69.16 crore (Previous year ₹ 73.34 Crore) towards LC margin against import of plant and machinery.
- Includes ₹ Nil (Previous year ₹ 444.00 Crore) pledged with bank against put option (Refer note No. 16 of part 'B' of Schedule 19).
- Includes ₹ 845.45 crore (previous year ₹ Nil) pledge with bank towards loan availed by subsidiary companies.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

(₹ Crore)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE '11'		
LOANS AND ADVANCES		
[Unsecured considered good]		
Advances recoverable in cash or in kind or for value to be received	687.04	789.81
Loans - Inter Corporate Deposits	13.78	10.34
Deposits	18.43	13.11
Balances with Central Excise Collectorate	0.16	0.17
Mat Credit Entitlement (Refer Note No. 13 of part B of schedule 19)	110.39	68.14
Advance Tax (Net of provision for tax)	35.99	28.88
Interest accrued but not due	0.21	0.06
	866.00	910.51
Less : Provision	28.58	-
	837.42	910.51
Considered good	837.42	910.51
Considered doubtful	28.58	-
TOTAL	866.00	910.51

Advances includes :

- a) ₹ 171.33 crore (previous year ₹ 109.30 crore) towards Cenvat credit balances to be utilised in the subsequent years.
- b) ₹ 123.35 crore (previous year ₹ 110.37 crore) towards interest subsidy receivable under the TUF scheme of Government of India.

Deposit includes

- a) ₹ 10.53 crore (previous year ₹ 9.70 crore) being deposits towards office/residential premises taken on rental basis.

(₹ Crore)

PARTICULARS		AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE '12'			
CURRENT LIABILITIES :			
Sundry Creditors			
Total Outstanding dues to :			
- Micro Enterprises and Small Enterprises *	-		0.12
- Creditors other than Micro Enterprises and Small Enterprises	818.80		520.90
[including Acceptances ₹ 89.92 crore (previous year ₹ 154.66 crore)]		818.80	521.02
Buyers Credit		167.00	67.89
Mark to Market value of Derivative Instrument (Refer note no. 18 of part B of Schedule 19)		72.96	23.95
Unclaimed Dividend #		0.84	0.80
Interest Accrued But not due on loans		18.95	80.50
Advance from customers		58.87	35.74
TOTAL		1,135.42	729.90

* As per information available with the Company

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

Notes

Sundry Creditors includes ₹ 32.13 crore (previous year ₹ 14.56 crore) being overdrawn bank balances as per books consequent to issue of cheques at the year end though the banks have positive balances as on that date.

This figure does not include any amount due & outstanding to be credited to Investor Education and Protection Fund. During the year, company has transferred Rs. 0.06 crore (previous year Rs. 0.04 crore) to Investor Education and Protection Fund.

(₹ Crore)

PARTICULARS		AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE '13'			
PROVISIONS			
Provision for Gratuity and Compensated Absences		21.05	16.33
Proposed Dividend		19.69	19.69
Provision for Tax on Dividend		3.30	3.27
Provision for Taxation (net of advance tax payments)		20.04	17.96
Other Provisions (Refer note no. 14 of part B of Schedule 19)		15.47	0.72
TOTAL		<u>79.56</u>	<u>57.97</u>

(₹ Crore)

PARTICULARS		Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE '14'			
SALES			
Sales - Local	4,371.52		2,896.64
Sales - Export (Refer note no. 12 of part B of Schedule 19)	<u>2,205.46</u>		<u>1,495.26</u>
		6,576.98	4,391.90
Export Incentive		137.24	92.46
TOTAL		<u>6,714.22</u>	<u>4,484.36</u>

(₹ Crore)

PARTICULARS		Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE '15'			
OTHER INCOME			
Dividend Income :			
On Long Term Investments	0.20		0.79
On Current Investments	<u>0.16</u>		<u>0.00</u>
		0.36	0.79
Miscellaneous Income		0.64	0.60
Profit on sale of Current Investments (Net)		1.16	0.66
Profit on sale of Fixed Assets (Net)		-	2.97
Exchange Rate difference (Net)		-	56.89
Provision for Doubtful Debts and advances written back		1.54	2.27
Interest on others		0.48	0.40
Rent Received		0.42	-
Sundry Credit Balances written back		0.43	0.10
TOTAL		<u>5.03</u>	<u>64.68</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

(₹ Crore)

PARTICULARS		Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE '16'			
INCREASE IN STOCKS OF FINISHED GOODS AND PROCESS STOCK			
CLOSING STOCK			
Finished Goods / Traded Goods	578.24		354.69
Process Stock	900.36		856.24
		1,478.60	1,210.93
LESS : OPENING STOCK			
Finished Goods / Traded Goods	354.69		296.80
Process Stock	856.24		608.40
		1,210.93	905.20
TOTAL		267.67	305.73

(₹ Crore)

PARTICULARS		Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE '17'			
MANUFACTURING AND OTHER EXPENSES			
Raw Material Consumed		3,261.84	1,867.49
Payment to and Provisions for Employees :			
Salaries, Wages and Bonus	230.70		163.77
Contribution to Provident Fund and Other Funds	8.52		6.63
Employees Welfare Expenses	5.00		4.28
		244.22	174.68
Operational and Other Expenses			
Stores and Spares Consumed		50.93	67.71
Packing Materials Consumed		81.17	65.58
Power and Fuel		392.40	320.68
Processing Charges		49.58	36.25
Labour Charges		60.27	47.63
Excise Duty		4.15	4.75
Donation		0.81	2.15
Freight, Coolie and Cartage		100.25	82.89
Legal and Professional Fees		30.74	9.27
Share Issue Expenses		-	44.93
Rent		22.91	21.30
Rates and Taxes		6.55	11.92
Repairs and Maintenance			
Plant and Machinery	14.67		10.67
Factory Building	0.67		1.34
Others	5.06		3.56
		20.40	15.57
Commission on Sales		23.01	19.63
Provision for Doubtful Accounts		35.00	5.05

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

(₹ Crore)

PARTICULARS		Year Ended 31.03.2011	Year Ended 31.03.2010
Bad debts and other advances written off		-	0.35
Directors Remuneration		7.20	7.20
Directors Fees and Commission		5.06	5.06
Auditors Remuneration			
Audit Fees	1.63		0.87
Certification Fees	0.04		0.03
		1.67	0.90
Insurance		13.07	10.03
Loss of assets due to fire		-	37.91
Loss on sale of Fixed Assets (Net)		0.03	-
Exchange Rate Difference (Net)		89.60	-
Diminution in the value of investment		16.88	14.99
Miscellaneous Expenses		193.63	167.18
(Miscellaneous Expenses includes Printing and Stationery, Bank Charges, Advertisement, Bill Discounting Charges etc.)			
TOTAL		4,711.37	3,041.10

(₹ Crore)

PARTICULARS		Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE '18'			
INTEREST (NET)			
Interest Paid :			
On Debentures	75.00		87.64
On Fixed Loan	520.99		377.28
[Net of Interest Subsidy ₹ 133.20 Crore (Previous year ₹ 139.33 Crore)]			
Other Interest	0.70		11.95
On Cash Credit Accounts, etc.	139.64		113.15
[Net of recovery ₹ 81.47 crore (previous year ₹ Nil) (Tax Deducted at Source ₹ 8.15 crore [previous year ₹ 2.01 crore])]			
Premium of Redemption of Debentures	0.74		8.76
		737.07	598.78
Less : Interest Received on Loans, Deposits etc.		62.04	19.87
(Tax Deducted at Source ₹ 5.69 crore [Previous Year ₹ 5.15 Crore]			
Less : Interest on calls in arrear		-	0.01
TOTAL		675.03	578.90

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

Schedule '19'

(a) SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

The consolidated financial statements of Alok Industries Limited ("the Parent Company"), its subsidiaries, joint ventures and associates (together the "Group" or "the Company") are prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1956 and generally accepted accounting principles in India.

2. Principles of Consolidation

The financial statements of subsidiary companies, joint venture companies and its subsidiaries and associates (together the "Group" or the Company). The consolidated financial statements drawn up to the same reporting date as of the Company, except in the case of Grabal Alok (UK) Limited, an associate company, where the financial statements have been drawn up to 2 April 2011 have been prepared on the following basis.

- a) The financial statements of the Parent Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealized profit or losses as per Accounting Standard (AS) 21 "Consolidated Financial Statements" as notified by the Company (Accounting Standards) Rules 2006 the financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- b) The excess of cost to the Company of its investment in subsidiary companies over its share of equity of the subsidiary companies at the dates, on which the investments in the subsidiary companies are made, is recognised as "Goodwill" being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognised as "Capital Reserve" and shown under the head 'Reserves & Surplus', in the consolidated financial statements.
- c) Minority Interest in the net assets of consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.
- d) The Financial Statements of the Joint Venture entities have been considered on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealized profit or losses, by using "proportionate consolidation" method, the investment in Joint Venture entities over a holding company's portion of equity is recognized as a capital reserve/goodwill, as per Accounting Standard 27 on "Financial Reporting of Interest in Joint Venture" as notified by the Company (Accounting Standards) Rules 2006.
- e) The consolidated financial statements include the share of profit / loss of associate companies in which the investor has significant influence and which is neither a subsidiary nor a joint venture, which are accounted under the "Equity Method" as per which the share of profit of the associate Company has been added to the cost of investment, and its share of pre-acquisition profits/losses is reflected as Capital Reserve/Goodwill in the carrying value of Investment in accordance with Accounting Standard 23 on Accounting for Investment in Associates in Consolidated Financial Statement as notified by Company (Accounting Standards) Rules 2006.

3. Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialize.

4. Revenue Recognition

- a) Revenue on sale of products is recognized when the products are dispatched to customers, all significant contractual obligations have been satisfied and the collection of the resulting receivable is reasonably expected. Sales are stated net of trade discount, returns and sales tax collected.
- 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) Revenue in respect of insurance / other claims, interest etc. is recognized only when it is reasonably certain that the ultimate collection will be made.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

5. Fixed Assets

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

6. 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.

7. Capital Work-in-Progress

Projects under commissioning are carried forward at cost as capital work in progress and represent payments made to contractors including advances and directly attributable costs.

8. Depreciation / Amortization

- a) Depreciation on Fixed Assets is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Continuous process plant is classified based on technical assessment and depreciation is provided accordingly.
- b) Cost of leasehold land is amortized over the period of lease.
- c) Trademarks/Brands are amortized over the period of ten years from the date of capitalization.
- d) Computer Software is amortized over the period of five years from the date of capitalization.
- e) Goodwill on consolidation is not amortised, but is tested for impairment at each balance sheet date impairment loss, if any, is provided for.
- f) Depreciation on additions to assets or on sale / disposal of assets is calculated from the beginning of the month of such addition or up to the month of such sale / scrapped, as the case may be.
- g) Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase.

9. Foreign Currency Transactions

- a) Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign currency transactions are recognised in the profit and loss account.
- b) Monetary items denominated in foreign currency are restated using the exchange rate prevailing at the balance sheet date and hitherto, the resultant exchange differences were recognized in profit and loss account. Non Monetary items denominated in foreign currency are carried at historical cost.

However, Pursuant to the notification of the Companies (Accounting Standards) Amendment Rules 2006 issued on 31 March 2009, which amended Accounting Standard 11 on The Effects of Changes in Foreign Exchange Rates, exchange differences relating to long term monetary items are dealt with in the following manner:

- i. Exchange differences relating to long-term monetary items, arising during the year, in so far as they 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.
 - ii. In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized to the profit and loss account over the balance life of the long-term monetary item, however that the period of amortization does not extend beyond 31 March, 2011. (Refer Note 19 below of Schedule 19).
- c) In the respect of forward contract entered into the hedge foreign currency exposure in respect of recognized monetary items, the premium or discount on such contracts is amortised 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 recognised in the profit and loss account. Any gain / loss on cancellation of such forward contract are recognised as income / expense of the period.

Foreign Operation

The translation of the financial statements of non integral foreign operations is accounted for as under;

- a) All Expenses and Revenues are translated at average rate.
- b) All monetary and non monetary asstes 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.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

10. Inventories

Items of Inventories are valued on the basis given below:

1. Raw Materials, Packing Materials, Stores and Spares and Trading goods: at cost determined on First – In – First – Out (FIFO) basis or net realisable value, whichever is lower.
2. Work-in-Progress on construction contracts reflects value of material inputs and expenses incurred on contracts.
3. Process stock and Finished Goods: At weighted average cost or net realizable values whichever is lower. Cost comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventory to their present location and condition. Real estate inventory includes cost incurred towards real estate projects.

11. Employee Benefits (Refer Note No. 11 of Part B of Schedule 19)

a) Defined Contribution Plan

Company's contribution paid / payable for the year to define contribution retirement benefit scheme is charged to Profit and Loss account.

b) Defined Benefit Plan and other long term benefit plan

Company's liabilities towards defined benefit scheme are determined using the projected unit credit method. Actuarial valuation under projected unit credit method are carried out at Balance Sheet date, Actuarial gains/losses are recognised in Profit and Loss Account in the period of occurrence of such gains and losses. Past service cost is recognised immediately to the extent benefits are vested otherwise it is amortized on straight line basis over running average periods until the benefits become vested. The retirement benefit obligation is recognised in Balance Sheet represents present value of the defined benefit obligations as adjusted for unrecognized past service cost and as reduced by fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, the present value is available refunds and reduction in future contribution to the scheme.

c) Short Term Employee Benefits

Short term employee benefits expected to be paid in exchange for the services rendered by the employee are recognised undiscounted during the period the employee renders the services, these benefits include incentive, bonus.

12. Accounting of CENVAT credit

Cenvat credit available is accounted by recording material purchases net of excise duty. Cenvat credit availed is accounted on adjustment against excise duty payable on dispatch of finished goods.

13. Government Grants

Grants, in the nature of interest / capital subsidy under the Technology Upgradation Fund Scheme (TUFS), are accounted for when it is reasonably certain that ultimate collection will be made. Government grants not specifically related to fixed assets are recognized in the Profit and Loss Account in the year of accrual / receipt.

14. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

15. Income taxes

Tax expense comprises of current tax and deferred tax. Current tax and deferred tax are accounted for in accordance with Accounting Standard (AS) 22 on "Accounting for Taxes on Income". Current tax is measured at the amount expected to be paid / recovered from the tax authority using the applicable tax rates. Deferred tax assets and liabilities are recognised for future tax consequence attributable to timing difference between taxable income and accounting income that are capable of reversing in one or more subsequent periods and are measured at relevant enacted / substantively enacted tax rates. At each balance sheet date, the Company reassesses unrealised deferred tax assets to the extent they become reasonably certain or virtually certain of realisation, as the case may be. FBT is recognised in accordance with the relevant provision of Income-tax Act, 1961 and the Guidance Note on FBT issued by ICAI. Minimum Alternate Tax (MAT) credit entitlement is recognised in accordance with the Guidance Note on "Accounting for credit available in respect of Minimum Alternate Tax under the Income-tax Act, 1961" issued by ICAI.

16. 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. The intangible assets are recorded at cost and are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

17. Impairment of Fixed Assets

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard (AS) 28 "Impairment of Assets". An impairment loss is charged to the Profit and Loss Account in the year in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

18. Provisions, Contingent Liabilities and Contingent Assets

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

19. Issue Expenses

During the year the company has change its policy to adjust expenses incurred in connection with the issue of shares, debentures and Foreign Currency Convertible Bonds against Securities Premium Account and recognised them in Profit & Loss Account.

20. Accounting for Derivatives

The Company uses derivative instruments to hedge its exposure to movements in foreign exchange rates, interest rates and currency risks. The objective of these derivative instruments is to reduce the risk or cost to the Company and is not intended for trading or speculation purposes.

Interest Rate Swaps, Currency Option and Currency Swaps, in the nature of firm commitment and highly probable forecast transactions, entered into by the Company for hedging the risks of foreign currency exposure (including interest rate risk) are accounted based on the principles of prudence as enunciated in Accounting Standard 1(AS 1) "Disclosure of Accounting Policies".

B) NOTES TO ACCOUNTS

1. The subsidiary / fellow subsidiary companies considered in the consolidated financial statements are:

Sr. No.	Name of the subsidiaries and fellow subsidiaries	Country of Incorporation	Ownership Interest 31 March 2011	Ownership Interest 31 March 2010
A	Alok Infrastructure Limited	India	100%	100%
B	Alok Land Holdings Private Limited	India	100%	100%
C	Alok Realtors Private Limited	India	100%	100%
D	Alok Retail (India) Limited	India	100%	100%
E	Alok Apparels Private Limited	India	100%	100%
F	Alok New City Infratex Private Limited	India	100%	100%
G	Alok Aurangabad Infratex Private Limited	India	100%	100%
H	Alok HB Hotels Private Limited	India	100%	100%
I	Alok HB Properties Private Limited	India	100%	100%
J	Alok Industries International Limited	British Virgin Island	100%	100%
K	Alok Inc.	USA	100%	100%
L	Alok International Inc.	USA	100%	100%
M	Mileta, a. s.	Czech Republic	93.20 %	93.20 %
N	Alok European Retail, s.r.o.	Czech Republic	100%	100%
O	Alok H&A Limited*	India	100%	100%
P	Springdale Information and Technologies Private Limited	India	100%	100%
Q	Kesham Developers & Infotech Private Limited	India	100%	100%

+ Consolidated based on unaudited. Financial statements as presented by parents company directors.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

For financial information of subsidiary companies refer note no. 4 below

2. Joint Venture companies considered in the consolidated financial statements are:

Sr. No.	Name of the associates	Country of Incorporation	Ownership Interest 31 March 2011	Ownership Interest 31 March 2010
A	Aurangabad Textile and Apparela Park Limited	India	49.00%	49.00%
B	New City of Bombay Mfg. Mills Limited	India	49.00%	49.00%

The Following amounts are included in the Consolidated Financial Statements in respect of Jointly Controlled Entities based on "proportionate consolidation" method. As per Accounting Standard 27 on "Financial Reporting of Interest in Joint Venture"

Particulars	Current Year (₹ in crore)	Previous Year (₹ in crore)
ASSETS		
Fixed Assets	2.07	2.18
Inventories	0.49	0.16
Sundry Debtors	18.04	19.39
Cash and Bank Balances	4.69	3.96
Loans and Advances	18.68	4.17
LIABILITIES		
Current Liabilities	2.46	0.66
Provision	0.43	3.26
Deferred Tax Liability	0.18	0.17
INCOME		
Sales	89.71	82.95
Other Income	2.75	2.16
Increase in Stock	0.05	0.08
EXPENSES		
Manufacturing and Other Expenses	87.56	1.27
Depreciation	0.11	0.03
Provision for Tax	1.39	0.85

3. The associate companies considered in the consolidated financial statements are:

Sr. No.	Name of the associates	Country of Incorporation	Ownership Interest 31 March 2011	Ownership Interest 31 March 2010
A	Grabal Alok (UK) Limited (Formerly known as Hamsard 2353 Ltd.)	United Kingdom	41.72%	41.72%
B	Ashford Infotech Private Limited	India	50.00%	50.00%
C	Alspun Infrastructure Limited	India	50.00%	50.00%
D	Nirvan Builders Pvt.Ltd.	India	33.20%	33.20%
E	Next Creations Holdings LLC*	USA	33.00%	-

*Consolidated based on unaudited financial statements, as approved by the board of director of the company.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

4. FINANCIAL INFORMATION RELATING TO SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31 MARCH 2011

	Name of the subsidiary	Capital	Reserve	Total Assets	Total Liabilities	Investment* (other than investment in subsidiaries)	Turnover	Profit before Tax	Provision for tax	Profit after tax	Proposed Dividend
											(₹ Crore)
1	Alok Industries International Limited@	0.22	(110.63)	565.45	675.86	451.65	—	(70.34)	—	(70.34)	—
2	Alok Inc. @	0.04	0.14	0.40	0.22	—	—	(0.00)	—	(0.00)	—
3	Alok Infrastructure Limited	0.05	7.28	980.88	973.55	84.23	258.79	3.43	1.42	2.01	—
4	Alok Apparels Private Kunued*	10.00	(13.44)	52.44	55.88	—	10.90	(7.98)	(2.73)	(5.25)	—
5	Alok Retail (India) Limited	0.05	(26.06)	49.89	75.90	—	20.85	(13.32)	—	(13.32)	—
6	Alok Realtors Private Limited*	532.49	(0.33)	1,229.11	696.95	—	—	(0.00)	—	(0.00)	—
7	Alok Land holdings Private Limited*	25.24	(0.23)	25.01	—	—	—	(0.00)	—	(0.00)	—
8	Alok New City Infratex Private Limited	0.05	(0.01)	0.04	—	0.04	—	0.00	—	0.00	—
9	Alok Aurangabad Infratex Private Limited	0.05	(0.01)	0.04	—	0.04	—	(0.00)	—	(0.00)	—
10	Alok HB Hotels Private Limited	0.05	(0.01)	0.04	—	0.04	—	(0.00)	—	(0.00)	—
11	Alok HB Properties Private Limited	0.05	(0.01)	0.04	—	0.04	—	(0.00)	—	(0.00)	—
12	Mileta, a.s.#	55.14	12.89	172.19	104.16	—	129.33	4.45	(0.10)	4.55	—
13	Alok International Inc. @	0.00	0.25	31.63	31.38	4.47	46.82	(0.85)	—	(0.85)	—
14	Alok European Retail, s.r.o.#	0.05	(0.64)	0.02	0.61	—	—	(0.07)	—	(0.07)	—
15	Kesham Developers & Infotech Pvt.Ltd.*	15.58	2.60	18.52	0.34	—	—	1.23	0.27	0.96	—
16	Springdale Information & Technology Pvt. Ltd.*	1.05	0.20	1.33	0.08	—	—	0.00	0.04	(0.04)	—
17	Alok H&A Limited**	36.05	(0.90)	119.91	84.76	0.01	40.37	(2.11)	(0.62)	(1.49)	—

@ Balance sheet items are translated at closing exchange rate of INR 44.65/USD and Profit/(Loss) items are translated at average closing rate of INR 45.58/USD

Balance sheet items are translated at closing exchange rate of INR 2.60/CZK and Profit/(Loss) items are translated at average closing rate of INR 2.42/CZK

* Including share application money.

** Unaudited figures

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

5. Contingent Liabilities in respect of:

(₹ Crore)

Sr. No.	Particulars	Current Year	Previous Year
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	Pending Litigation	0.05	0.05
C	Guarantees given by banks on behalf of the Company	28.07	44.33
D	Bills discounted	242.94	71.74
E	Taxation Matters :		
	a) During the year, the Company received Income Tax demand mainly on account of alleged short deposition of TDS amounts for four years arising from wrong TAN numbers mentioned while uploading the TDS return and certain payments not considered by the Tax authorities, although duly paid by the company. The Company has filed an appeal with the Commissioner of Income Tax (A) and also made application for rectification u/s 154 providing details of amounts paid to the bank and is hopeful of a favourable order.	5.91	-
	b) Demands of Works Contract Tax not acknowledged as debts and not provided for. The company has initiated proceedings against such demand and is hopeful of favourable decision.	0.59	-
F	Disputed various matters relating to NTC / ATM	Amount Unascertained	Amount Unascertained
G.	Guarantee provided to New City of Bombay Mfg. Mills Limited (Joint Venture company) for loan given to Grabal Alok Impex Limited (51%)	9.18	-

6. Capital Commitments

(₹ Crore)

Particulars	Current Year	Previous Year
a. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances)	694.70	728.58

7. Related Part 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	Next Creation Holdings LLC
Ashford Infotech Private Limited	Nirvan Builders Private Limited
Grabal Alok (UK) Ltd. (Formerly known as Hamsard 2353 Ltd.)	
II Entities under common control	
Alok Denims (India) Private Limited.	Grabal Alok International Limited
Alok Finance Private Limited	Honey Comb Knit Fabrics
Alok Knit Exports Limited	Jiwrajka Associates Private Limited
Alok Textile Traders	Jiwrajka Investment Private Limited
Ashok B. Jiwrajka (HUF)	Niraj Realtors & Shares Private Limited
Ashok Realtors Private Limited.	Nirvan Exports
Buds Clothing Co.	Nirvan Holdings Private Limited
D. Surendra & Co.	Pramatex Enterprises
Dilip B. Jiwrajka (HUF)	Pramita Creation Private Limited
Grabal Alok Impex Limited	Surendra B. Jiwrajka (HUF)
Green Park Enterprises	Triumphant Victory Holdings Limited.
Gogri Properties Private Limited	

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

III Joint Venture	
Aurangabad Textiles & Apparel Parks Limited New City Of Bombay Mfg. Mills Limited	
IV Key Management Personnel	
	Ashok B. Jiwrajka Dilip B. Jiwrajka Surendra B. Jiwrajka Chandra Kumar Bubna
	} Directors
V Relatives of Key Management Personnel	
	Alok A. Jiwrajka Prita D. Jiwrajka Varun S. Jiwrajka Niraj D. Jiwrajka Suryaprakash. Bubna

b. Nature of transaction

(₹ Crore)

Transaction	Associates	Entities under Common Control	Joint venture Company	Key Management Personnel	Relatives of Key Management Personnel	Total
a) <u>Share Application Money</u>						
Balance as at 1st April	–	227.57	–	–	–	227.57
	(–)	(256.76)	(–)	(27.30)	(–)	(284.06)
Received During the year	–	-227.57	–	–	–	-227.57
	(–)	(81.27)	(–)	(–)	(0.84)	(82.11)
Shares Alloted during the year	–	–	–	–	–	–
	(–)	(110.46)	(–)	(27.30)	(0.84)	(138.60)
Balance as at 31st March	–	–	–	–	–	–
	(–)	(227.57)	(–)	(–)	(–)	(227.57)
b) <u>Unsecured Loan</u>						
Balance as at 1st April	–	451.40	–	–	–	451.40
	(–)	(–)	(–)	(–)	(–)	(–)
Received During the year	–	–	–	–	–	–
	(–)	(451.40)	(–)	(–)	(–)	(451.40)
Repaid during the year	–	133.85	–	–	–	133.85
	(–)	(–)	(–)	(–)	(–)	(–)
Translation difference during the year	–	- 4.90	–	–	–	- 4.90
	(–)	(–)	(–)	(–)	(–)	(–)
Balance as at 31st March	–	312.55	–	–	–	312.55
	(–)	(451.40)	–	(–)	(–)	(451.40)
c) <u>Loans and Advances</u>						
Balance as at 1st April	24.13	5.46	–	–	–	29.59
	(–)	(16.73)	(–)	(–)	(–)	(16.73)
Granted during year	182.16	339.37	–	–	–	521.53
	(24.13)	(5.46)	(–)	(–)	(–)	(29.59)
Repaid / Adjusted during the Year	203.77	313.50	–	–	–	517.27
	(–)	(16.73)	(–)	(–)	(–)	(16.73)

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

Transaction	Associates	Entities under Common Control	Joint venture Company	Key Management Personnel	Relatives of Key Management Personnel	Total
Provision made	0.68	–	–	–	–	0.68
	(–)	(–)	(–)	(–)	(–)	(–)
Translation difference during the year	-0.25	-0.06	–	–	–	-0.31
	(–)	(–)	(–)	(–)	(–)	(–)
Balance as at 31st March	1.59	31.27	–	–	–	32.86
	(24.13)	(54.46)	(–)	(–)	(–)	(29.59)
d) <u>Investments</u>						
Balance as at 1st April	314.22	58.17	–	–	–	372.39
	(354.80)	(42.04)	(–)	(–)	(–)	(396.84)
Invested during the year	151.53	–	–	–	–	151.53
	(0.02)	(15.97)	(–)	(–)	(–)	(15.99)
Translation difference during the year	-3.27	-0.73	–	–	–	-4.00
	(40.60)	(0.16)	–	(–)	(–)	(40.44)
Balance as at 31st March	462.48	57.44	(–)	–	–	519.92
	(314.22)	(58.17)	(–)	(–)	(–)	(372.39)
e) <u>Share Application Money</u>						
Balance as at 1st April	83.94	–	–	–	–	83.94
	(81.91)	(–)	(–)	(–)	(–)	(81.91)
Given/(Received) during the Year (Net)	0.16	–	–	–	–	0.16
	(2.03)	(–)	(–)	(–)	(–)	(2.03)
Shares Alloted	67.94	–	–	(–)	(–)	67.94
	(–)	(–)	(–)	(–)	(–)	(–)
Balance as at 31st March	16.16	–	–	–	–	16.16
	(83.94)	(–)	(–)	(–)	(–)	(83.94)
f) <u>Sundry Debtors</u>						
Balance as at 31st March	27.00	3.77	–	–	–	30.77
	(3.10)	(–)	(–)	(–)	(–)	(3.10)
g) <u>Sundry Creditors</u>						
Balance as at 31st March	79.12	19.03	0.06	–	–	98.21
	(–)	(3.44)	(–)	(–)	(–)	(3.44)
h) <u>Turnover</u>						
Sales of Goods	80.60	86.29	0.71	–	–	167.60
(Including jobwork charges)	(81.81)	(55.85)	(–)	(–)	(–)	(137.66)
i) <u>Expenditure</u>						
Purchase of goods / Job charges	0.03	2.87	42.26	–	–	45.17
	(–)	(4.62)	(–)	(–)	(–)	(4.62)
Purchase of Fixed Assets	–	0.62	0.05	4.54	–	5.21
	(–)	(–)	(–)	(0.86)	(–)	(0.86)
LC Charges	2.36	–	–	–	–	2.36
	(–)	(–)	(–)	(–)	(–)	(–)
Sales Promotion Expenses	2.35	–	–	–	–	2.35
	(–)	(–)	(–)	(–)	(–)	(–)

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

Transaction	Associates	Entities under Common Control	Joint venture Company	Key Management Personnel	Relatives of Key Management Personnel	Total
Exchange Rate Difference	94.37	–	–	–	–	94.37
	(–)	(–)	(–)	(–)	(–)	(–)
Rent	–	–	–	–	0.19	0.19
	(–)	(–)	(–)	(–)	(–)	(–)
Remuneration	–	–	–	12.20	0.26	12.46
	(–)	(–)	(–)	(12.32)	(0.36)	(12.68)
Upfront Fees	–	–	–	–	–	–
	(–)	(4.51)	(–)	(–)	(–)	(4.51)
Dividend Paid	–	0.44	–	1.54	–	1.98
	(–)	(0.43)	(–)	(–)	(–)	(0.43)
Electricity Expenses	–	–	0.08	–	–	0.08
	(–)	(–)	(–)	(–)	(–)	(–)
Design Charges	–	–	0.24	–	–	0.24
	(–)	(–)	(–)	(–)	(–)	(–)
j) Income						
Dividend	–	0.15	1.13	–	–	1.28
	(–)	(0.15)	(–)	(–)	(–)	(0.15)
Rent	–	0.03	–	–	–	0.03
	(–)	(–)	(–)	(–)	(0.03)	(0.03)
Sale of Fixed Assets and Stores & Spares	–	–	–	–	–	–
	(–)	(0.02)	(–)	(–)	(–)	(0.02)
Interest	–	2.65	–	–	–	2.65
	(–)	(4.40)	(–)	(–)	(–)	(4.40)
k) Contingent Liabilities						
Guarantee given	–	–	9.18	–	–	9.18
	(–)	(–)	(–)	(–)	(–)	(–)

Note:

- Related party relationship is as identified by the Company and relied upon by the Auditors.
- Previous year figures are given in brackets.

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

(₹ Crore)

	Transactions	Current Year Amount	Previous Year Amount
a) Share Application Money			
	Received/Adjusted during the year		
	Entities under Common Control		
	Niraj Realtors & Shares Private Limited	–	53.68
	Jiwrajka Associates Private Limited	–	10.16
	Alok Finance Private Limited	–	5.64
	Grabal Alok Impex Limited	–	5.23
			74.71
	Repaid during the year		
	Entities under Common Control		
	Alok Finance Pvt. Ltd.	32.54	–

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	Jiwrajka Associate Pvt. Ltd.	36.39		—
	Jiwrajka Investment Pvt. Ltd.	48.65		—
	Niraj Realtors & Shares Pvt. Ltd.	68.77		—
	Nirvan Holdings Pvt. Ltd.	41.22		—
			227.57	—
b)	<u>Unsecured Loan</u>			
	Accepted during the year			
	Entities under Common Control			
	Triumphant Victory Holdings Limited		—	451.40
	Repaid / Adjusted during the year			
	Entities under Common Control			
	Triumphant Victory Holdings Limited		138.85	—
c)	<u>Loans and advances</u>			
	Granted during the year			
	Associates			
	Grabal Alok (UK) Limited		182.17	24.13
	Entities under Common Control			
	Grabal Alok Impex Limited	250.68		—
	Grabal Alok International Ltd	66.19		—
			316.87	—
	Received/Adjusted during the year			
	Associates			
	Grabal Alok (UK) Limited		204.71	—
	Entities under Common Control			
	Grabal Alok Impex Limited		244.80	—
				—
d)	<u>Investment</u>			
	Invested during the year			
	Entities under Common Control			
	Grabal Alok International Ltd		—	15.97
	Associates			
	Ashford Infotech Pvt Ltd	67.94		—
	Grabal Alok (UK) Limited	79.12		—
			147.06	—
e)	<u>Share Application Money</u>			
	Given during the year			
	Associates			
	Alspun Infrastructure Ltd.		0.16	1.88

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	Share allotted/repaid during the year			
	Associates			
	Ashford Infotech Pvt Ltd		67.94	—
f)	Turnover (including jobwork charges)			
	Entities under Common Control			
	Grabal Alok Impex Limited		86.29	52.88
	Associates			
	Grabal Alok (UK) Ltd.		80.60	84.78
g)	Expenditure			
	Purchase of Goods			
	Entities under Common Control			
	Grabal Alok Impex Limited		—	4.62
	Joint Venture Company			
	New City of mfg. Mills Ltd. - Fixed Assets		41.67	—
	Purchase of fixed Assets			
	Entities under Common Control			
	Grabal Alok Impex Limited		0.62	—
	LC Charges			
	Associates			
	Grabal Alok (UK) Ltd.		2.35	—
	Sales Promotions			
	Associates			
	Grabal Alok (UK) Ltd.		2.35	—
	Exchange rate difference			
	Associates			
	Grabal Alok (UK) Ltd.		94.37	—
	Remuneration:			
	Key Management Personnel-			
	Ashok B. Jiwrajka	3.05		3.05
	Chandrakumar Bubna	3.05		3.05
	Dilip B. Jiwrajka	3.05		3.05
	Surendra B. Jiwrajka	3.05		3.05
			12.20	12.20
	Dividend paid			
	Key Management Personnel-			
	Ashok B. Jiwrajka	0.50		0.50
	Dilip B. Jiwrajka	0.51		0.51
	Surendra B. Jiwrajka	0.53		0.53
			1.54	1.54
	Design Charges			
	Joint venture			
	New City of mfg. Mills Ltd.		0.24	—

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

h) Income			
Dividend Income:			
Entities under Common Control			
Grabal Alok Impex Limited		0.15	0.15
Joint Venture			
New City of Bombay mfg. Mills Ltd.	0.92		—
Aurangabad Textile & Apparel Parks Ltd.	0.21		—
		1.13	—
Interest received			
Entities under Common Control			
Grabal Alok Impex Limited		2.61	4.40
i) Guarantee given on loan given to Grabal Alok Impex Limited			
Joint Venture			
New City of Bombay mfg. Mills Ltd.		9.18	—

d. Details in accordance with clause 32 of the listing agreement with the stock exchanges.

- a. Investment by Loanee in the shares of the Company.

Name of the Company	No. of equity shares	Face Value (Rupees)
Grabal Alok Impex Limited	17,559,382	175,593,820

7. Qualified Institutional Placements

During the previous year, the Company has issued & allotted 182,100,248 equity shares of ₹ 10 each at a premium of ₹ 13.32 per equity share to Qualified Institutional Buyers in terms of Chapter VIII of Security and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulation 2009. The proceeds of the issue are utilised as under:

Sr. No.	Particulars	₹ Crore
1.	QIP Issue expenses	27.66
2.	Long Term working capital margin	153.30
3.	Capital Expenditure	243.70
	Total	424.66

8. Employee Stock Option Scheme(ESOS)

During the year, the shareholders of the Company approved the Employee Stock Option Scheme vide postal ballot, in accordance with the Securities and Exchange Board of India (ESOP & ESPS) Guidelines, 1999. Such scheme provides for grant of options to the eligible employees and /or directors of the Company and / or its subsidiaries. The Company is yet to grant any options under the scheme at the balance sheet date.

9. Deferred Taxation

Deferred Tax Assets and Liabilities arising on account of timing differences are as under:

(₹ Crore)

Sr. No.	Particulars	31 March 2011	31 March 2010
I)	Deferred Tax Liability (DTL)		
	i) Depreciation	527.97	422.18
	ii) Share Issue expenses	(7.35)	(12.22)
	iii) Other Items	(12.78)	(2.81)
		507.84	407.15
II)	Deferred Tax Asset (DTA)		
	i) Other items	0.02	2.54
	ii) Business / Depreciation loss as per I. T. Act, 1961	7.52	1.65
		7.54	4.19

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

10. Earnings per share (EPS)

(₹ Crore)

		31 March 2011	31 March 2010
a.	Nominal value of equity shares per share (In Rupees)	10	10
b.	Basic & Diluted EPS		
	Net Profit Available for Equity Shareholders	327.54	137.25
	Weighted average number of Equity Shares Basic & Dilutive (Nos.)	787,784,357	539,602,404
	Basic & Diluted Earnings per share (Rupees)	3.95	2.54

11. Employee benefit plans:

i. Defined contribution plans:

Amounts recognized as expenses towards contributions to provident fund, superannuation and other similar funds by the Company are ₹ 8.13 Crore (Previous Year ₹ 12.56 Crore) for the year ended 31 March 2011.

ii. Defined benefit plans:

- (a) **Gratuity Plan:** The Company makes annual contribution to the Employee's Group Gratuity Assurance Scheme, administered by the Life Insurance Corporation of India ('LIC'), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.
- (b) **Compensated absences:** Employees' entitlement to compensated absences in future periods based on unavailed leave as at balance sheet date, as per the policy of the Company, is expected to be a long term benefit and is actuarially valued.

The following table sets out the status of the gratuity plan for the year ended 31 March 2011 as required under AS 15 (Revised)

(₹ Crore)

Particulars	Gratuity (funded) as on 31 March 2011	Gratuity (funded) as on 31 March 2010
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	10.77	6.70
Current Service Cost	3.53	2.66
Interest Cost	1.15	0.52
Actuarial loss	0.27	0.32
Past Service cost – Vested Benefit	–	0.83
Benefits Paid	(0.32)	(0.26)
Closing Defined Benefit Obligation	15.40	10.77
Change in Fair Value of assets	–	
Opening Fair value of assets	2.85	2.23
Expected Return on Plan Assets	0.23	0.18
Actuarial Gain	0.08	0.07
Contribution by Employer	1.87	0.63
Benefits Paid	(0.32)	(0.26)
Closing Fair Value of Plan Assets	4.71	2.85
Net Liability	10.69	7.92

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

Expense to be recognized in statement of Profit and Loss Account

(₹ Crore)

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Current Service Cost	3.53	2.66
Interest on Defined Benefit Obligation	1.15	0.52
Expected Return on Plan Assets	(0.23)	(0.18)
Net Actuarial loss	0.19	0.26
Past Service cost – vested benefit recognised during the year	–	0.83
Total Included in Employment Expenses	4.64	4.09
Actual Return on Plan Assets	0.30	0.25
Category of Assets	4.71	2.85
Insurer Managed Fund		

The assumptions used in accounting for the gratuity are set out below:

(₹ Crore)

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Discount rate	8.05%	8.00%
Rate of increase in compensation levels of covered employees	9.00%	8.00%
Expected Rate of return on plan assets*	7.50%	8.00%

* 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 LIC, since the fund is managed by LIC. The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotions and other relevant factors.

Experience Adjustments

(₹ Crore)

Particulars	Year Ended		
	31 March 2011	31 March 2010	31 March 2009
Defined benefit obligation	15.30	10.68	6.67
Plan Assets	4.70	2.86	2.24
Surplus / (Deficit)	(10.60)	(7.82)	(4.43)
Exp. Adj. on plan Liabilities	0.71	0.16	-
Exp. Adj. on plan Assets	0.08	0.07	-

Asset Allocations

Since the investments are held in the form of deposit with LIC, 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.

12 Segment Reporting

a) Primary Segment: Geographical Segment

The company, considering its high level of international operations and present internal financial reporting based on geographical location of customer, has identified geographical segment as primary segment.

The geographic segment consists of:

- a) Domestic (Sales to Customers located in India)
- b) International (Sales to Customers located outside India)

Revenue directly attributable to segments is reported based on items that are individually identifiable to that segment. The company believes that it is not practical to allocate segment expenses, segment results, fixed assets used 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

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

(₹ Crore)

Particulars	Current Year	Previous Year
Operating Revenue - Sales		
Domestic [Net of Excise duty of Rs.112.48 crores (Previous year Rs.71.64 crores)]	4,259.05	2,824.99
International	2,342.69	1,587.73
Job Charges Collected (Domestic)	13.16	11.62
	6,614.90	4,424.34
Profit before Interest & Tax	1,176.27	868.87
Less: Interest (Net)	657.03	578.90
Less: Tax	178.50	128.16
Profit after Tax before minority interest and share of profit of Associate (Less)/Add: Minority Interest	322.74 (0.31)	157.81 0.64
Less: Share of loss of Associates	10.89	20.74
Profit After Tax	311.54	137.71
Sundry Debtors		
Domestic	1,609.67	798.19
International	204.53	328.27
	1,814.20	1,126.46

b) Secondary Segment: Business Segment

The Group during the year was having single segment as reportable segment as per AS 17 "Segment Reporting". Hence there is no Secondary segment to be reported.

13. Provision for Income Tax of includes ₹ 120.57 crore (previous year ₹ 63.56 crore) has been computed on the basis of Minimum Alternate Tax (MAT) in accordance with Section 115JB of the Income Tax Act, 1961, in view of deductions available to the company. Considering the future profitability and taxable positions in the subsequent years, the company has recognized 'MAT credit entitlement' amounting to ₹ 42.25 crore (Previous year ₹ 34.26 crore), aggregating to ₹ 110.39 crore (previous year ₹ 68.14 crore), as an asset by crediting the Profit and Loss Account for an equivalent amount and disclosed under 'Loans and Advances' (Schedule 11) in accordance with the Guidance Note on "Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961" issued by The Institute of Chartered Accountants of India.
14. Grabal Alok (UK) Ltd, an associate Company, ("Grabal Alok UK") has entered into a JPY/USD foreign currency derivative entailing monthly settlement up to October 2012 with a 'knock-out' feature at a stipulated JPY/USD mark. Vide a Novation agreement, the Company has taken over the obligation to meet the liability which may arise from this derivative. Based on an assessment considering a forecast model, Grabal Alok UK has quantified the probable outgo at GBP 2.151 million in it's audited accounts. The Company has accordingly made a provision for an amount of ₹ 15.47 crore (GBP 2.151 million) against its Obligation.
15. The Group has strategic long term investment in an associate company, Grabal Alok (Uk) Ltd as follows :
 - a) Investments in ordinary shares with carrying amount of Rs 218.64 crore
 - b) Convertible loan notes aggregating to Rs 79.12 crore

Grabal Alok (UK) Limited has embarked upon a plan for revamping its retailing operations in the United Kingdom through an optimized sourcing strategy and opening of additional stores. The Company continued to improve sales volumes and gross margins, resulting in positive EBITDA during the year against loss in the earlier year(s). On the basis of objective assessment of expected cash flows made by the management of the Parent company – Alok Industries Ltd, the carrying value of investments/loan as above is considered good and recoverable and no provision for diminution / non-recoverability is considered necessary.
16. During the previous year, the Company invested in a newly formed company, Triumphant Victory Holding Limited ("TVHL") in the British Virgin Islands, as a strategic long term investment. TVHL has availed of a short term loan facility from Axis Bank-DIFC-Dubai Branch for investment in Alok Industries International Limited by way of Compulsory Convertible Debentures with put option on the Company at the end of due date. The said put option was backed by a lien on fixed deposit of Nil (Previous Year ₹ 444.00 crore) of the Company held by Axis Bank, New Delhi and pledged of share of Alok Industries Limited.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

17. Alok Industries International Ltd., a wholly owned subsidiary of the Company, ("Alok BVI") and Grabal Alok UK Limited, an associate company of the Company (Grabal Alok UK) have during the year, issued unsecured floating rate Compulsorily Convertible bonds of USD 56.50 million each to Deutsche Bank, AG, Singapore branch at a discount of USD 6.50 million each. The holders have a green shoe option aggregating USD 50 million. At the end of maturity (July 2014) such bonds are convertible into Class A preference shares of Alok BVI of USD 1.00 each (USD 56.50 million) and ordinary shares of Grabal Alok UK of GBP 0.001. (USD 56.50 million).

Grabal Alok International Ltd, an entity under common control with the Company (Grabal Alok BVI), and Alok BVI, have agreed to purchase such bonds from the holders on scheduled put option dates between the 33rd month (July 2013) to 42nd month (April 2014) from the issue date. The payment obligations under the put option are inter alia secured by way of pledge of 93.21% of shareholding of Alok BVI in Mileta, a.s. - a step down subsidiary of the Company and 90.43% shareholding of Alok BVI and Grabal Alok BVI in Grabal Alok UK, an associate of the Company. Further, these bonds are secured by subservient charge on current and movable assets of the company created by executing a Deed of Hypothecation on 28th October, 2010 in favour of AXIS Trustee Services Limited, Mumbai, India.

18. a) The Company, during the year based on the Announcement of The Institute of Chartered Accountants of India "Accounting for Derivatives" along with the principles of prudence as enunciated in Accounting Standard 1 (AS-1) "Disclosure of Accounting Policies" has accounted for derivative forward contracts at fair values.

On that basis, changes in the fair value of the derivative instruments as at 31 March 2011 aggregating to ₹ 72.96 Crore (previous year ₹ 23.95 Crore) have been debited to the Profit and Loss Account. The charge on account of derivative losses has been computed on the basis of MTM values based on the report of counter parties. Net gain in fair value has been ignored.

- b) Derivative contracts entered into by the company and outstanding as on 31 March 2011 of hedging currency and interest rate related risks

Nominal amounts of derivative contracts entered into by the company and outstanding as on 31 March 2011 amount to ₹ 2,841.73 Crore (previous year ₹ 1,267.46 Crore). Category wise break-up is given below.

Sr. No.	Particulars	31 March 2011	31 March 2010
1	Interest Rate / Currency Swaps	1,023.95	1077.87
2	Currency Options*	1,342.26	189.59
3	Forward Contract	475.52	-
	Total	2,841.73	1,267.46

* Represent monthly currency option for receivables maturing over next year.

- c) The year end foreign currency exposure that has not been hedged by derivative instruments or otherwise are as below:

- i) Amount receivable in foreign currency on account of the following

(₹ Crore)

Particulars		Current Year		Previous Year	
		Foreign Currency in Millions	Rupees (Crore)	Amount in foreign currency	Rupees (Crore)
Debtors	USD	0.79	35.41	5.67	255.94
	EUR	0.09	5.51	0.28	17.05
	GBP	0.01	0.48	0.03	1.66
	CZK	12.25	31.87	11.10	26.45
Cash & Bank Balance	USD	-	-	0.94	42.77
	CZK	2.62	7.81	2.94	7.00

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

ii) Amount payable in foreign currency on account of the following

(₹ Crore)

Particulars	Foreign Currency in Millions	Current Year		Previous Year	
		Amount in foreign currency	Rupees (Crore)	Amount in foreign currency	Rupees (Crore)
Secured Loans	USD	26.56	1185.78	5.50	248.25
	JPY	182.81	98.76	113.98	72.99
	EUR	1.69	106.78	-	-
	CZK	3.11	8.07	4.03	10.24
Interest accrued but not due on loans	USD	0.06	2.80	0.57	25.89
	EUR	0.02	1.44	-	-
Unsecured Loan	USD	7.00	312.55	12.38	558.61
	EUR	1.77	112.22	-	-
	CZK	-	-	-	-
Sundry creditors	USD	7.74	345.72	0.83	37.47
	JPY	4.31	2.33	-	-

19. In line with the notification dated 31 March 2009 issued by the Ministry of Corporate Affairs, amending Accounting Standard (AS) 11 – ‘Effect of changes in Foreign Exchange Rates’, the Company has chosen to exercise the option under paragraph 46 inserted in the Standard by the notification.

- i) In effect of the above the company has Added to fixed assets/ capital work-in-progress ₹ 23.48 crore (Previous year ₹ 75.00 crore) being exchange difference on long term monetary items relatable to acquisition of fixed assets.
- ii) Carried forward ₹ (0.22) (previous year ₹ 0.17 crore) in the ‘Foreign Currency Monetary Item Translation Difference Account’ being the amount remaining to be amortised as at 31 March 2011.

20. The amounts in balance Sheet, Profit and Loss account are rounded off to the nearest lakhs and denominated in Crore of rupees.

The figures of the previous year have been reclassified / regrouped wherever necessary to correspond with those of the current year.

Signatures to Schedules 1 to 19

In terms of report attached

For Deloitte Haskins & Sells **For Gandhi & Parekh**
Chartered Accountants Chartered Accountants

R. D. Kamat **Devang B. Parekh**
Partner Partner

Mumbai: 29 July 2011

For and on behalf of the Board

Ashok B. Jiwrajka Executive Chairman
Dilip B. Jiwrajka Managing Director
Surendra B. Jiwrajka Jt. Managing Director
Sunil O. Khandelwal Chief Financial Officer
K. H. Gopal President (Corporate Affairs) & Company Secretary

Mumbai: 29 July 2011

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PROXY FORM
ALOK INDUSTRIES LIMITED



Registered Office : 17/5/1 & 521/1, Rakholi / Saily, Silvassa - 396230
Union Territory of Dadra and Nagar Haveli

REGD FOLIO	
DP. ID	
DP ID CLIENT ID	
PROXY NO.	
NO. OF SHARES	

I/We of in the district of being a member/members of Alok Industries Limited, hereby appoint of or failing him of in the district of as my/our proxy to attend and vote for me/us and on my/our behalf at the **Twenty Fifth Annual General Meeting** of the Company to be held on **Thursday, the 29 day of September 2011 at 12.00 noon** at the Registered Office of the Company at **17/5/1 & 521/1, Rakholi/ Saily, Silvassa – 396 230, Union Territory of Dadra and Nagar Haveli**, and at any adjournment thereof.

Signed on this _____ day of 2011

AFFIX
15 PS.
REVENUE
STAMP

Signature(s) of Member(s)

Note : The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.

ATTENDANCE SLIP
ALOK INDUSTRIES LIMITED

Registered Office : 17/5/1 & 521/1, Rakholi / Saily, Silvassa - 396230
Union Territory of Dadra and Nagar Haveli

Folio No. /DP. ID : _____
Client ID No. : _____
Name & Address : _____

I hereby record my presence at the **Twenty Fifth Annual General Meeting** of the Company being held on **Thursday, the 29 day of September, 2011 at 12.00 noon** at the Registered Office of the Company at **17/5/1 & 521/1, Rakholi/ Saily, Silvassa – 396 230, Union Territory of Dadra and Nagar Haveli**.

Signature(s) of Member(s)
Proxy attending the meeting

Please complete this Attendance Slip and bring the slip to the Meeting.

This image shows a full page of blank, lined paper. It features approximately 20 evenly spaced horizontal blue or grey lines across its entire width, typical of notebook paper. The lines are uniform in thickness and spacing, providing a guide for writing. There are no margins, text, or other markings on the page.

NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



Registered Office :

17/5/1, 521/1, Rakholi / Sayli, Silvassa - 396230 Union Territory of Dadra and Nagar Haveli.

Corporate Office :

Peninsula Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai-400 013

Tel: 91-22-2499 6200/6500 Fax: 91-22-2493 6078

E-mail: info@alokind.com

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