ALOK
INDUSTRIES LIMITED
TM INNOVATIVE TEXTILE SOLUTIONS

BEYOND CONSOLIDATION

27th Annual Report 2012-13

CONTENTS

A STRONG FOUNDATION

For over 25 years, we have lived and breathed textiles.
Our concerted, continuing focus on building and consolidating our competitive strengths in our core business domain has made us arguably India's largest vertically integrated textile company.
Today, as we move onwards into the next phase of growth, we are looking Beyond Consolidation.

BEYOND CONSOLIDATION

Having divested a major portion of our interests in realty and with a strategy in place to exit retail, we are now focussed on the textiles business in a very targeted manner. By doing so, we are addressing the challenges that will deleverage our balance sheet, enabling us to focus our capital and energies on the opportunities unfolding in the textile business globally.
We are now ready to write the next chapter of growth at Alok.
Beyond Consolidation.

Alok Industries at a Glance

Alok Industries is possibly the largest vertically integrated textile company in India, having significant global scale manufacturing facilities across the cotton and polyester value chains. Our integrated manufacturing process gives us immense competitive advantage when it comes to controlling both cost as well as quality of the products we market. Our competitive pricing, customer-friendly service and ability to turn around large volumes within record time makes us a partner of choice for blue chip international customers comprising world renowned retailers, as well as importers and brands. Our focus on R&D has enabled us to expand into value-added segments and offer Innovative Textile Solutions.

Five core divisions

Cotton Yarn | Apparel Fabric | Home Textiles | Garments | Polyester Yarn

29,000 + Employees

90 Countries
US, Europe, Latin America, Asia & Africa

26% Exports

Innovative Textile Solutions

Our Philosophy

Our Vision

To be the world's best integrated textile enterprise, driven by research & innovation, with a leadership position across products & markets, while exceeding customer & stakeholder expectations

The barometer of our success would be the ROCE

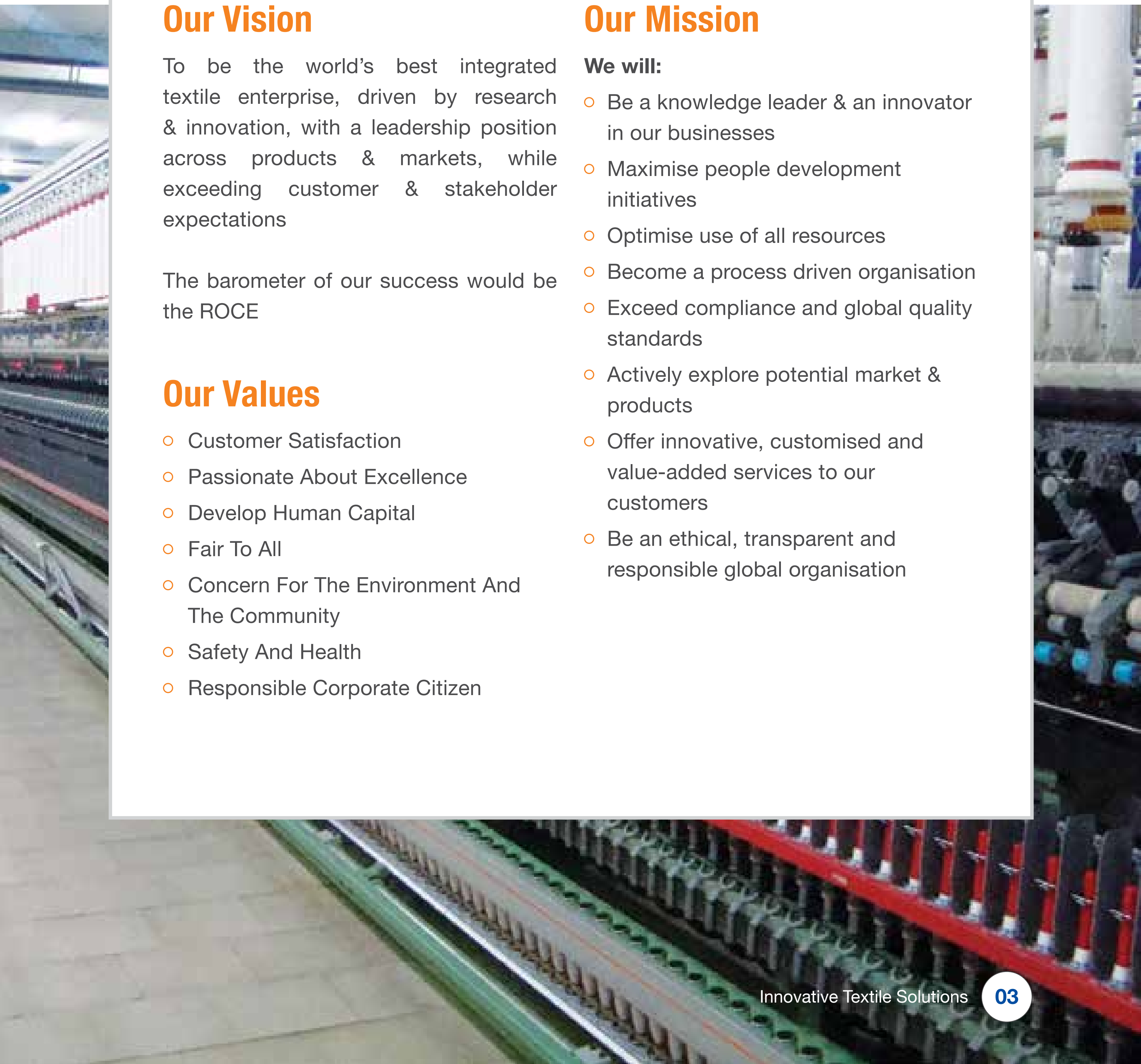
Our Values

- Customer Satisfaction
- Passionate About Excellence
- Develop Human Capital
- Fair To All
- Concern For The Environment And The Community
- Safety And Health
- Responsible Corporate Citizen

Our Mission

We will:

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



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
- DBS Bank Limited
- Dena Bank
- Export Import Bank of India
- Indian Bank
- IDBI Bank Limited
- Indian Overseas Bank
- ING Vysya Bank Limited
- Oriental Bank Of Commerce
- Punjab National Bank
- 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
- Union Bank Of India
- Vijaya Bank

Statutory Auditors

Deloitte Haskins & Sells LLP
Chartered Accountants

Internal Auditors

Bhandarkar & Co.
Chartered Accountants

Devdhar Joglekar & Srinivasan
Chartered Accountants

N.T. Jain & Co.,
Chartered Accountants

Shah Gupta & Co.
Chartered Accountants

T.R. Chadha & Co.
Chartered Accountants

Legal Advisors & Solicitors

Desai Desai Carimjee & Mulla

Executive Director & Chief Financial Officer

Sunil O. Khandelwal

Executive Director & 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

Tower B, 2nd and 3rd Floor,
Peninsula Business 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, Pentaford 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
Asset Rosedale,
Unit B1 (1st floor),
House # 2 Road,
55, Gulshan Avenue,
Gulshan - 2, Dhaka - 1212,
Bangladesh

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

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

USA
1) 7 West, 34th Street,
Suite # 607,
New York NY- 10001

2) 123 Oaklawn Avenue,
DALLAS, TX 75207

Czech Republic
Husova 734,
508 01 Horice Czech Republic

British Virgin Islands
Pasea Estate, Road Town,
Tortola British Virgin Islands

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

Listing & Code

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

Registrar & Share Transfer Agent

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

WORKS

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

Weaving
a) 17/5/1 & 521/1, Rakholi / Saily, Silvassa, Union Territory of Dadra & Nagar Haveli.
b) 209/1 & 209/4, Dadra, 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 (15) Saily, Silvassa
Union Territory of Dadra &
Nagar Haveli

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

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

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

Packaging
87/1 and 96/1 Village Falandi,
Silvassa
Union Territory of Dadra &
Nagar Haveli.

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

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

Our Journey So Far

1986
- Incorporation of your Company

1993
- Initial Public Offer of ₹ 4.50 crores

1995
- Collaboration with Grabal, Albert Grabher Gesellshaft mbH & Co. of Austria for manufacturing of embroidery products, through joint venture company, Grabal Alok Impex Ltd.

1996
- Annual sales of ₹ 100 crores

1997
- Rights Issue of equity shares aggregating to ₹ 14.98 crores

1998
- Private placement of equity shares of ₹ 16 crores to Century Direct Fund (Mauritius)

2000
- Turnover exceeds ₹ 300 crores, including exports of ₹ 9 crores
- New Alok Logo launched




2001

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

2002

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

2003

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

2004

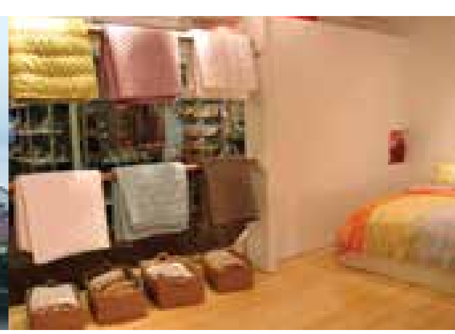
- Turnover crosses ₹ 1,000 crores. Exports exceed ₹ 100 crores
- Commenced Phase I & II of expansion programme (Spinning, Weaving, Processing & Garmenting) aggregating to ₹ 1,175 crores under TUFs

2005

- FCCB issue of USD 35 million

2006

- FCCB issue of USD 70 million


Our Journey So Far

2007

- 9001:2000 certification obtained
- Turnover reaches ₹ 1,800 crores, Exports at ₹ 640 crores
- Domestic retail brand ‘H&A’ launched
- Embarked on expansion of ₹ 1,100 crores 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 6,14,999 sq. ft. in real estate subsidiary Alok Infrastructure Limited

2008

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

2009

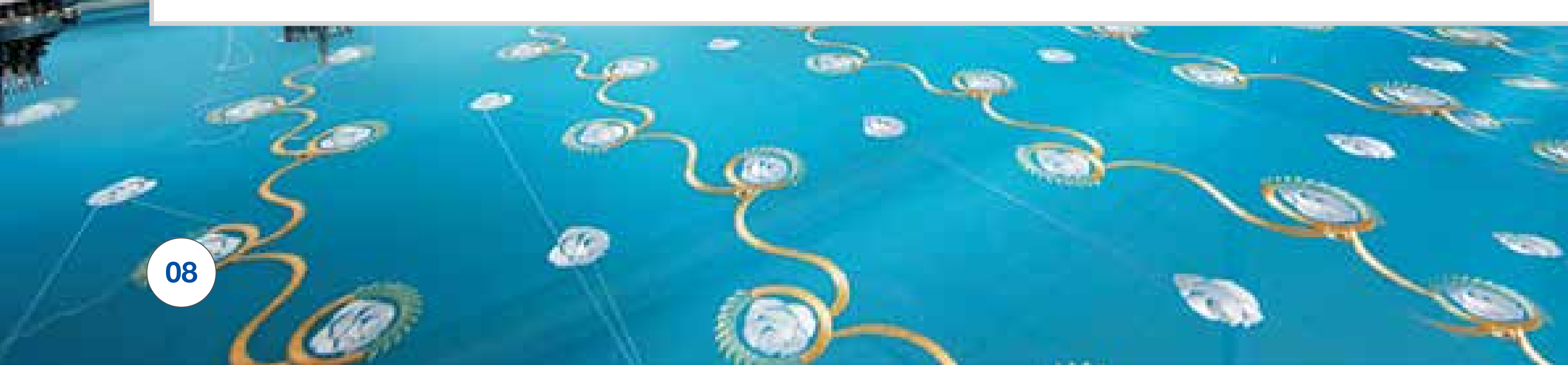
- Rights issue of Equity shares of ₹ 450 crores
- Completed integration of Polyester by commissioning
- Continuous Polymerisation capacity of 600 tpd

2010

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

2011

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



2012

- Turnover crosses ₹ 8900 crores Exports reach ₹ 3030 crores
- Completion of Expansion of polyester production from 900 tons/day to 1400 tons/day
- Amalgamation of Grabal Alok Impex Limited (GAIL) into the Company completed on 1 March 2012 with effect from 1 April 2011
- Gold Trophy for Global Exports of Bleached / Dyed /Yarn Dyed / Printed Fabrics in Fabrics Category
- Gold Trophy for Exports of Bed Linen / Bed Sheets / Quilts in Made-ups Category
- Silver Trophy for Highest Global Exports Category
- Silver Trophy for second best export performance for the year 2010-11 in the category of Polyester Yarn

2013

I Won the maximum number of Export Awards for the year 2012-2013 in the following categories:

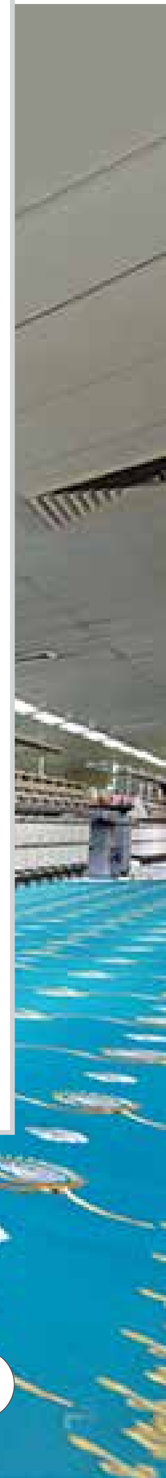
1. Gold Trophy for the Highest Exports of Bleached/Dyed/Yarn Dyed/Printed Fabrics in the Category III
2. Gold Trophy for the Highest Exports of Bed Linen/Bed Sheets/Quilts in Madeups under the Category III
3. Silver Trophy for the Second Highest Global Exports (Overall)
4. Gold Trophy (Small) for the Highest Exports of Other Fabrics including Embroidered Fabrics, Laces in the Category II
5. Silver Trophy (Small) for the Second Highest Exports of Terry Towels in Madeups under the Category II
6. Gold Plaque for the Highest Exports of Other Cotton Made-ups in the Category I

II Certificate of Appreciation received from Govt. of Dadra & Nagar Haveli, Silvassa for Outstanding Corporate Social Responsibility work in the field of development of Infrastructure and Improvement in the living conditions of the people of Silvassa

III Export Crosses ₹ 5000 crores

IV Rights Issue of ₹ 551 crores

V Amalgamation of domestic subsidiaries of Retail and Realty into Single entity viz. Alok Relators Private Limited, Alok Land Holdings Private Limited, Alok H&A Limited, Alok Retail (India) Limited and Alok Apparels Private Limited (transferor Companies) into Alok Infrastructure Ltd., wholly owned subsidiary of the Company with appointed date of 1st April 2012 and effective from 15th November 2013



Beyond Consolidation

Success is defined as a matter of preparation meeting opportunity.

At Alok Industries, we saw the opportunity and have spent the past three years on the necessary preparation to meet that opportunity through consolidation.

We have increased our capacities, improved our organisational capabilities, made moves to exit from non-core businesses, and geared up for the boom that we expect from what we call the golden decade for India in textiles.

Now we are moving beyond consolidation. And the preparation for that has been done.

The opportunity that presents itself is huge, as the world is looking towards India for its textile and garment requirements. With the increase in the wages in China, and its shifting focus on high technology industries, combined with the devaluation of the Indian Rupee, India has emerged as the world's choice destination for textile sourcing. We have come to the near end of our capex cycle and our focus here onwards is towards operations.

We intend to grow our export markets, dollarise our borrowings to bring down cost of capital and focus on reaping the benefits of consolidation. Sustainability is our mantra, and we will ensure this through innovative solutions that will address new products as well as enhance efficiencies and quality of our throughput.

The opportunity is at hand. What we are speaking about in this Report are its forthcoming rewards.

The rewards of success when consolidation meets opportunity.

Beyond Consolidation is Greater Competency

If consolidation leads to competency, then going beyond consolidation paves the way for greater competency.

Our large integrated operations have given us unique competency to serve customers at different points of the textile value chain - from yarn, to fabrics, to made-ups to garments, and towels; enabling us to benefit from opportunity at every level.

Our integrated presence across the cotton and polyester value chains is one-of-a-kind, and our capacities are the largest in the Indian textile industry.

150
million metres of sheeting fabric

13,400
tons of terry towels

186
million metres of apparel fabrics

25,000
tons per annum of knitted fabrics

22
million pieces per annum of garments

2,40,000
tons per annum of polyester textured yarn

70,000
FDY of 70,000 tons per annum

These capacities include installed infrastructure to manufacture 150 million metres of sheeting fabric, 13,400 tons of terry towels, 186 million metres of apparel width woven fabrics, 25,000 tons per annum of knitted fabrics and 22 million pieces per annum of garments in the cotton and blended segments. In the polyester segment, we have a capacity of 5,20,000 tons per annum comprising 2,40,000 tons per annum of polyester textured yarn, FDY of 70,000 tons per annum, polyester fibre / cationic yarn of 1,10,000 tons per annum and 1,00,000 tons per annum of POY and Chips.

We are one of the few technology-savvy textile companies in India and have competencies to manufacture fashion & technical fabrics that meet specific requirements of our customers. Our design centres are world class; we have an archive of designs that gets added to on a daily basis. Our competencies span Quality, Cost and Delivery.

What is driving the international brands and retailers increasingly towards India's largest integrated textile company as a preferred sourcing partner?

It is competency to serve the large textile buyers at an unprecedented competitive level.

Beyond Consolidation lie Global Opportunities

As the global vistas of opportunity continue to unfold, it becomes imperative to move into the next phase of growth momentum, going beyond consolidation.

The sourcing pattern in the global textile industry is changing. The period of China's dominance is gradually phasing out, thanks to the rising Yuan, increasing wages in the Chinese industry, increased domestic demand and the need for large buyers to de-risk their operations.

Concurrently, India, with its advantages of lower wages, strong integrated textile industry, abundant availability of design and technical talent, falling Rupee and enabling environment for export of textiles, is emerging as the destination of choice for global textile buyers. It is the dawn of a very bright and fruitful phase for Indian

4.5% to 6%

Share of the global textile market

US$ 33 bn to US$ 65 bn

Increase exports from present to 2020

textiles, and the country is expected to increase its share of the global textile market from 4.5% to 6%, almost doubling its exports from the present US$ 33 billion to US$ 65 billion by 2020. *(Source: UN Comtrade & Wisedge Analysis)*

What does all this mean for India's largest textile company?

It portends a huge increase in export turnover, increasing dollarisation of our earnings with its related advantages of increased volumes and higher efficiencies.

Beyond Consolidation is Free Cash Flows

Prudent management of cash flows is a necessary focus area for the company to meet the burgeoning global opportunities.

The past few years of preparation, necessary to meet the opportunities emerging on global front, demanded large capital expenditure to build state-of-the-art integrated textile operations. The capex programme was largely funded through debt. However, with interest costs rising over the past four years, interest, as a head of expense has become the second largest expense after raw materials.

To address this concern, we are working on various options for reducing interest cost, such as availing higher export finance in foreign currency / rupee, foreign currency loans / external commercial borrowings, etc. The Company has a natural hedge on account of exports and hence, dollarisation of loan would not have any adverse impact - a factor that works immensely in our favour. In line with the strategy of dollarizing debt, we are also aggressively expanding our export markets - a feat that will not only insulate us from dollar fluctuations but also improve our working capital cycle as debtor days in exports are much lower. Further, with no large-scale capex programme in place, the Company is more focussed on deriving revenues from existing operations.

The combination of lower interest outflow, reduced capex, quicker working capital cycle and increased dollar revenue will fundamentally change our balance sheet, while increasing the levels of free cash.

What does the free cash flow scenario and increased focus on overseas markets mean to India's largest textile company?

It augurs better performance, more rewards for our stakeholders and sealing our position as India's pre-eminent Textile Company.

Beyond Consolidation are Value additions and Innovations

In a largely commodity driven Indian textile market, how does one differentiate oneself?

Our search for innovation and value additions began with that question.

It prompted us to set up an R&D centre that was focussed on innovation, both at the product and the processes level. We offer textiles with a variety of specialised finishes for particular applications - for example fabrics with a stain guard finish for the hospitality industry, Anti Bacterial finish for the health care industry and Infrared Ray resistant finish for the Defence industry.

Today, with our increasing presence in technical fabrics and our ability to manufacture textiles that meet specialised demand of customers, our ability to innovate has become a differentiator. The technical textiles market is estimated to be US$ 12 billion (₹ 65,730 crores) and is growing at the rate of 10% CAGR; it is expected to clock turnovers of US$ 27 billion by 2020 (₹ 145,000 crores).

US$ 12 billion	US$ 27 billion
The technical textiles market is estimated	Expected to clock turnover by 2020

We also offer other value-added products like Dyed Yarn (Structured) Fabrics, Institutional Work Wear, Printed Apparel, Specialised Work Wear etc.

What does our presence as an innovative supplier of textiles mean to our status in the Indian textile industry?

Quite simply, it is a differentiator that finds lower levels of competition, offers a niche and delivers sustainable margins.

Beyond Consolidation is the Promise of Sustainability

Sustainability, like other components of growth, gains added momentum as an organisation moves beyond consolidation towards greater holistic and inclusive progress.

Sustainability is a factor that can be looked at from the view of the company financials, as well as from the lens of the company's impact on the world and communities that we operate in.

At the financial level, we are ensuring sustainability of our operations through various initiatives like reducing our debt, dollarising our rupee borrowings to save interest costs, reducing our energy costs, expanding our export markets, focussing on innovative products, using R&D to increase our operational efficiency.

Each of these factors enhances our sustainability as a viable and profitable organisation.

On the more inclusive perspective of sustainability, we strive to be an organisation that minimises its impact on the environment. We have installed Reverse Osmosis Plants and a modern ETP at our facilities, and our products are certified as eco-friendly by international agencies. We use our captive 220 KVA sub station to

220 KVA	ISO 14001:2004
Our captive sub station to draw power	We are certified for environment management

draw power from the grid and we are certified for ISO 14001:2004 (for environment management). We promote the use of Organic Cotton and are practitioners of Fair Cotton Trade, thereby ensuring that growers get maximum remuneration for their produce. Our CSR initiatives also contribute towards betterment of the communities within which we operate.

What do all of these sustainability initiatives mean to India's largest textile company?

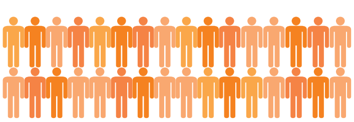
They indicate our commitment towards an environmental-friendly sustainable manufacturing set-up, where growth is inclusive and we remain a good, contributing corporate citizen.

Beyond Consolidation is our People Focus

People are the biggest drivers of consolidation, as also of growth beyond consolidation.

At Alok, we firmly believe that our people are not only our real assets but are also our asset creators.

We are a people-centric company and believe that our corporate progress is directly dependent on our people. Decisions made in the Board room are actually brought to fruition only by our committed team that believes in what they do, and do what they believe in.



**29,000 +
Strong Alokians**

**Educate, motivate and
inculcate best practices**

We are proud of the 29,000 + strong Alokians who work with single-minded focus on ensuring that their company is the world's best integrated textile enterprise. We have nurtured a strong entrepreneurial spirit amongst our managers and give them responsibility with power.

We have a congenial work environment where we encourage two-way communication. We have built quality housing to accommodate our staff in the vicinity of our plants and believe in offering a career that is balanced between work and life.

We believe that inspired people perform better and, led by this belief, we are consistent in our efforts to educate, motivate and inculcate best practices amongst our team.

We now work with a mission to make Alok one of the most preferred places to work at.

What do all these people-centric initiatives mean to India's largest integrated textile company?

Simply put, we believe that our growth is driven by our most valuable asset, our people.

Chairman's Communiqué

Mr. Ashok B. Jiwrajka
Chairman

Dear Shareholders,

In a span of 27 years of operations, your Company has emerged as India's largest vertically integrated textile organisation. Today, your Company has five state-of-the-art manufacturing facilities producing a wide array of products across the entire cotton and polyester value chain driven by a strong workforce of over 29,000 people that assist in successfully catering to the requirements of renowned client base in India and abroad.

"We continue to constantly explore opportunities and take calculated risks in making investments that open new avenues for value creation. Second, there is continuous focus on effective execution"

This rapid growth and transformation has been driven by two characteristics intrinsic to your Company and its business operations. First, the Company is driven by a strong spirit of enterprise and entrepreneurship. We continue to constantly explore opportunities and take calculated risks in making investments that open new avenues for value creation. Second, there is continuous focus on effective execution. Driven by the relentless efforts of all our employees, the Company continues to lay emphasis on implementation that translates business plans to actions and deliverables on the ground.

> **"You would recall that we started our present journey of rapid scale up and growth back in 2004. Driven by a strong spirit of entrepreneurship we undertook large scale investments and significantly extended the scope of our business"**

You would recall that we started our present journey of rapid scale up and growth back in 2004. Driven by a strong spirit of entrepreneurship, we undertook large scale investments and significantly extended the scope of our business. Since then the Company has witnessed several key developments. To begin with, in a systematic four phased process, we have augmented our plant capacities and capabilities and successfully created one of India's largest vertically integrated textiles production systems across the cotton and polyester value chains. Utilising this positioning we have built strong relationships with reputed and renowned global customers by continuously delivering quality products. We have also created major capabilities in value added products like technical textiles. In addition, the Company made its first international foray with the acquisition of Mileta in the Czech Republic and went on to aggressively promote its foray into retail in India through H&A stores and in UK through the acquired 'Store Twenty One' business. The Company also made strategic investments in real estate.

As with all businesses that go through rapid transformation, we at Alok Industries also had our share of milestones and setbacks during this phase of growth. What is important is to learn the lessons from setbacks and build on the positives. And, this is what your Company did for most of 2012-13, which was a year of consolidation.

Amongst the major positives that this period provided the Company was the much broader exposure and learning across a wide spectrum of operations in the textiles space. This capacity and capability development has been the biggest positive for the Company. Today, we are confident of providing value proposition to all existing and potential customers across the world while taking on any form of competition in the textiles space.

On the flipside, while our financial partners continue to repose faith and invest in our businesses, we are conscious of the fact that our balance sheet has reached high levels of debt leveraging over the last few years.

As a result, the primary focus of the Company today is to deleverage our balance sheet. Consequently, a key element of our strategy in this consolidation phase is to focus our energies on the core textiles business. Even though we created some intrinsic value in the non-core businesses of retail and real estate, the Company has initiated the process of exiting these. This kind of periodic realignment of strategic investments is intrinsic to companies like Alok that continuously look for opportunities to grow.

In line with this decision, the Company filed a merger scheme with the Honourable Bombay High Court for consolidating all domestic subsidiaries into one wholly owned subsidiary namely Alok Infrastructure Limited for real estate and retail ventures with the appointed date of 1 April 2012. The Scheme has become effective from 15 November 2013. Accordingly, the Board of Directors had approved of extending the accounting year of the Company to 30 September 2013 and the Company had obtained approval of the Registrar of Companies, Gujarat for such extension. Consequently, the results for 2012 13 are strictly not comparable to the 2011-12 as it is over an 18-month period compared to 12 months for the preceding year.

For the eighteen month period ended 30 September 2013, on a consolidated basis:

- Net sales was ₹ 21,388.36 crores against ₹ 9,784.72 crores in the 12 months of 2011-12
- Operating EBIDTA was ₹ 5,327.17 crores against ₹ 2,471.92 crores in the 12 months of 2011-12
- Profit after tax was ₹ 296.72 crores against ₹ 92.99 crores in the 12 months of 2011-12

Clearly, operationally we continue to deliver strong results and the Company is moving beyond a period of consolidation to a phase of leveraging its integrated and diversified positioning in the textiles space to compete effectively in the global market and deliver greater return on the investments already made.

While we at Alok look beyond consolidation, the external business and economic environment is also witnessing another transition phase. Advanced economies are gradually strengthening. At the same time, growth in emerging market economies has slowed. This confluence is leading to tensions, with emerging market economies facing the dual challenges of slowing growth and tighter global financial conditions. The U.S. economy remains at the centre of events. Private demand continues to be strong, although growth has been stifled this year by excessive fiscal consolidation.

"While we at Alok look beyond consolidation, the external business and economic environment is also witnessing another transition phase. Advanced economies are gradually strengthening"

The core economies of Europe show some signs of recovery. Southern periphery countries however, are still struggling. Progress on improving competitiveness and increasing exports is not yet strong enough to offset depressed internal demand. In both the core and the periphery, there is lingering uncertainty about bank balance sheets, which should be reduced by the promised review of banks. The major news at this time comes from emerging market economies, where growth has declined. This slowdown is a mix of cyclical factors and decrease in potential output growth - more cyclical in Russia and South Africa, and decreased potential in China and India.

India's macro-economic story has been rather disappointing. The aggregate demand of the economy remained weak during Q1 of 2013-14 despite government consumption expenditure increasing sharply. Private consumption decelerated, while fixed investment contracted. There was a sharp fall in fresh investment proposals from the private corporate sector. Weak demand conditions were also reflected in decelerating corporate sales. However, a good monsoon this year and consequent encouraging crop prospects are expected to shore up rural demand. The recent uptick in exports, if sustained, could provide added momentum. One expects a slight revival of growth since H2, 2012-12. However, annual growth rate will be closer to 5% and not close to the 8% levels one had been witnessing in the recent past.

Even though the macro-economic conditions are not very positive, true to its entrepreneurial characteristics, your Company sees several opportunities for growth. First, the domestic Indian textiles and apparel market is coming of age and there are good prospects of growth. Second, China, which was the major player servicing global demand is witnessing an increase in cost structures as it becomes a more developed economy. This is opening up greater opportunities for Indian companies like Alok with strong operations to cater to global demand. Third, the positioning across both polyester and cotton supply chain gives Alok the necessary flexibilities to outpace the market. In fact, Alok today, is well positioned to leverage global opportunities in the textiles space and is in the process of transgressing into the next phase of growth beyond consolidation.

In terms of specific developments that are contributing to our primary goal of deleveraging our balance sheet:

- The Company has successfully completed a Rights Issue of ₹ 550 crores in April 2013
- It has converted all gas based boilers at Vapi to coal based boilers and at Silvassa, the higher cost gas based boilers has been converted to grid power. These power saving measures is helping release more cash into the system
- There has been traction in monetising the real estate assets. The Company has successfully entered into deals worth ₹ 974.43 crores for its real estate assets of which ₹ 699.69 crores has already been received

In addition to these, going forward Alok is also working on reducing its cost of debt by taking steps like increasing foreign exchange borrowings. On 24 July 2013, the RBI has approved external commercial borrowings of US$275 million (₹ 1700 crores) under approval route to repay rupee loan taken for capacity expansion. The Company has a large level of export sales that act like a natural hedge against currency movements that may affect the cost of international borrowings. The large capacity expansion programme is now complete and annual capex programmes have been capped at levels needed for maintaining the existing capacities and removing bottlenecks.

Today, there is continuous focus on improving cash cycles and reducing working capital in addition to maximising return on capital across all operations. This initiative is being undertaken on a war footing and is starting to pay dividend. Efficient cost structures will be key to making a mark in the global market. And, I am confident of achieving the desired goals of aggressive growth with complete focus on our core textiles operations with a strategy to emerge as a leading global player. With the investment and consolidation phase behind us, we have now entered this phase of leveraging and squeezing returns from all our investments.

I would like to take this opportunity to thank all our stakeholders - our financers, our shareholders, our employees, our customers, our vendors and our well-wishers - for all your support. I urge you to continue to repose faith in our business model and partner us in the next phase of aggressive growth.

Yours Sincerely

Ashok B Jiwrajka

Chairman

From the desk of the Managing Director

Mr. Dilip B. Jiwrajka
Managing Director

While uncertainties and weak sentiments continue to prevail in the macro-economic environment, the textiles industry and Alok, in particular, as one of the majors in this space, sees considerable opportunities for growth in the next few years.

The global textiles and apparel market is witnessing some slowdown but there is a more important structural development that is emerging. In the last decade, China, with over 35% share has emerged as the single largest supplier in the global textile trade. The affluence that rapid growth has brought about in the Chinese economy has, however, also contributed to increase in internal costs, especially that of labour. This has opened up significant opportunities for other lower cost countries like India with a longstanding heritage of textile and garment production to service a greater proportion of the world market.

In the last few years, Alok has rapidly created capacities across each element of the value chain

"In the last decade, China, with over 35% share has emerged as the single largest supplier in the global textile trade" for both cotton and polyester textiles and garments. This presence across the chain gives the Company the flexibility to cater to varying market needs with a wide range of products. Today, Alok is focussed singularly on leveraging this positioning as India's leading vertically integrated textiles player to service emerging opportunities in the global market. In addition, the market is also growing within India with domestic economic growth and affluence, and your Company continues to be one of the leading players in this market.

An important aspect of the Company's strategy is value-addition. Across all businesses, the emphasis is on creating competitive advantages through value addition. This helps get better value for products in the market and also gives considerable selling power. Our capacities and internal capabilities, today, gives us the ability to stress on value addition under different market conditions. For example, in Polyester Alok has consciously made investments on the value added side of the business and is focussing on products like Master batch, Dyed Texturised Yarns, Fully Drawn Yarn and Cationic Yarn.

There is also strategic positioning in the technical textiles space, which is a high margin segment that is expected to grow at a CAGR of 10% in India till 2020. We have already made a mark in this market producing speciality fabrics that have specific functionality and are used in industrial, aerospace, military, marine, medical, construction, transportation and high technology applications. Some examples of these fabrics are fire retardant fabrics, water repellent fabrics, soil release fabrics and high visibility fabrics. We have an early starter advantage and are working towards acquiring significant market leadership in this segment.

Going forward, your Company will channel all its energies in becoming an established supplier in the global textiles space and a leader in the Indian market. With this single-minded focus on the textiles space servicing blue chip clients with a wide array of products across the value chain, Alok has decided to exit its non-core businesses like retail both domestic and international, and monetise its assets in these spaces. On both these fronts there has been good progress in 2012-13.

The expansion and consolidation phase is behind us, it is time for your Company to start harvesting the seeds of value creation that it has ploughed in the past. It will be challenging but I look forward to the next journey of growth. I am convinced of the energy and commitment of our people and the strategic positioning of the Company. Even if the external environment is not as conducive as it can be, we will continue to outpace the market and deliver value to our shareholders.

Yours Sincerely

Dilip B Jiwrajka
Managing Director

Message from the Jt. Managing Director

Mr. Surendra B. Jiwrajka
Joint Managing Director

The past 27 years has been a remarkable story of growth for Alok. Becoming amongst the industry leaders in a mature segment like textiles in such a short span of time is no mean achievement. This has been achieved on the back of meticulous execution and the spirit of enterprise - both of which continue to drive the Company forward. Today, Alok has the capacities and capabilities to extend its leadership from Indian to a global platform and that is the direction we are working on taking the Company to.

I shall, however, be candid to admit that the rapid growth of the Company has had one significant impact on the Company's financials. This is the high level of debt that we have got exposed to. Clearly, it has put pressures on our balance sheet and the financial risk perception of the Company. As with most such developments at Alok, we are addressing this on war-footing. Today, our business strategy evolves from the primary goal of deleveraging our balance sheet. Let me explain.

"In Polyester Alok has consciously made investments on the value added side of the business and is focussing on products like Master batch, Dyed Texturised Yarns, Fully Drawn Yarn and Cationic Yarn"

Message from the Jt. Managing Director

First, we have consciously decided to focus only on our core textiles business and exit all the non-core business domains. Consequently, we have started aggressively monetising our real estate assets, severely reduced the outlets of our domestic retail venture - H&A stores, and given mandates to leading global investment banks for selling of our UK retail venture. In essence, much of this consolidation was done in 2012-13.

Second, business operations are focussing on extracting the maximum out of existing assets and increasing the return on capital employed. All divisions are regularly monitored and action plans taken to maximise these asset return parameters. In addition, specific efforts are being made to cut costs of energy to increase profitability and improve the cash cycle of the business.

Third, all near term capex has been capped at a level to maintain existing business operations and overcome production bottlenecks. There will be no major investments in expansions in the near future.

All these efforts will result in better cash in the system that will go a long way in paying off some debt and deleveraging the balance sheet. In addition to these, your Company is also working at reducing costs of borrowing by getting international debt at much lower interest costs. Given the increased focus on exports, this will be a good natural hedge against currency fluctuation risks associated with such external borrowing. We have already received RBI approval for the first tranche of external funding that will help repay our high cost domestic debt.

Finally, it is important to note that all these strategic initiatives and business execution is driven by the people at Alok. We are laying emphasis on improving work processes, aligning individual goals with corporate goals and improving the overall skill levels of our human capital while deploying an effective incentive structure. I have confidence in our fellow Alokians and their ability to steer the Company to the next phase of growth focussed on improving our share of the international market. I thank them for their efforts in securing the results from 2012-13 and urge them to continue working in the same spirit of congeniality to meet the long term goals of Alok.

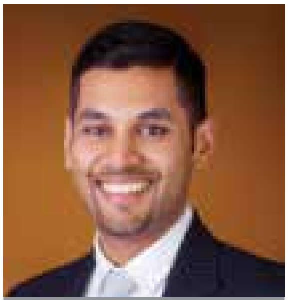
I will take this opportunity to thank all our shareholders for their continuous support. I would also like to thank our customers, legal counsel, suppliers, bankers, auditors and various government authorities for their cooperation.

Yours Sincerely

Surendra B Jiwrajka
Joint Managing Director

A new insight from the Young Leaders


Mr. Alok A. Jiwrajka


Mr. Niraj D. Jiwrajka


Mr. Varun S. Jiwrajka

"We will ensure that HR plays a dominant role in spotting and nurturing talent, fast tracking potential leaders and enhancing skill sets of functional resources to keep pace with an increasing competitive global market"

Having completed the more challenging task of setting up modern infrastructure for capacities matching global scales, we have now embarked on a phase of consolidation. This will entail a series of strategic initiatives that are expected to reduce cost, enhance margins and streamline efficiencies.

The contraction in economic growth compounded by volatility has made it difficult for companies to create and execute new growth strategies. Other changes like shifting demographics, changing customer behaviour and mounting pressure on critical natural resources have merely made the task more onerous. Business and governments around the world have also forged links that are clearer and important than ever before.

The major management challenges include developing potential leaders, developing managerial skills, creating an engaged workforce, selecting and retaining key talent, sharpening customer relationship skills and information technology.

We will therefore concentrate on developing new market-oriented growth strategies customised to our business's strengths, strategies that are specifically tuned for a dynamic world economy and the varying dynamics of markets globally. We will ensure that HR plays a dominant role in spotting and nurturing talent, fast tracking potential leaders and enhancing skill sets of functional resources to keep pace with an increasing competitive global market.

Our endeavour will be to create a culture of exploration where everyone seeks to discover and unlock value. We will increase focus on selection and retention of key talent, succession planning and innovation. We are committed to building a resilient organisation driven by people and develop risk solutions that keep pace with today's complex environment, and give us the confidence to make the right strategic choices for our business.

Leaders Speak
Finance

Mr. Sunil O. Khandelwal
Executive Director & CFO

"We firmly believe that the golden phase for Indian textile industry has already commenced as evidenced by the flow of orders, especially on the export front"

Our performance for the Eighteen month period ended 30.09.2013 was quite satisfactory from the Sales and profitability point of view. The period under review was however unique in many ways. Some of the main aspects are highlighted below:

- The last accounting year 2012-13 was of 18 months period ended September 30,2013 to incorporate the effect of merger of all our domestic subsidiaries / associates into our wholly owned subsidiary (Alok Infrastructure Ltd.) with effect from 1st April 2012.
- Company consolidated its overall business with focus on Core Textiles business and achieved significant progress in exiting the non-core business of realty & domestic retail business.
- Company got infusion of equity of ₹ 551 crores by way of Rights Issue in April 2013.
- Company's Board of Directors took a decision to limit capital expenditure to ₹ 600 crores per annum for the next five years till Financial Year 2018.
- The Board of Directors decided to move towards dollarising Company's existing rupee debt and to increase its dollar revenues to have natural hedge. This would result into significant savings in Company's interest cost and re-align its cash flows in line with repayment obligations. This would also lead to reduction in the working capital cycle as debtor days are much lower in case of exports.
- Company achieved significant savings in its energy cost by shifting some of its steam & power requirement to coal and grid. The full benefits of which would accrue in the ensuing years.

We firmly believe that the golden phase for Indian textile industry has already commenced as evidenced by the flow of orders, especially on the export front. Under such a scenario, Alok is in advantageous position due to its large capacities, modern technology, established client relationship and sound infrastructure. With our firm strategy to reduce our interest cost, improve working capital cycle, generate free cash flow and reduce debt, we are confident of meeting the expectations of our stake holders.

Leaders Speak

Risk, Governance & HR

Mr. K. H. Gopal
Executive Director & Secretary

"We will methodically address the risks attaching to our activities with the goal of achieving sustained benefit within each activity and across our locations"

Our objective is to be amongst the most sustainable and profitable textile enterprise in the world. We will pursue strategic initiatives towards sustainable profitability and translate actionable insights into consumer-focused initiatives.

We will place increasingly greater reliance on Enterprise Risk Management techniques while imbibing core corporate governance practices for maximizing value creation. Risk management will be a central part of our strategic management. We will methodically address the risks attaching to our activities with the goal of achieving sustained benefit within each activity and across our locations. Our focus will continue to be the identification and treatment of these risks. At Alok, risk management will be an ongoing, cyclical and continuous process entailing these four fundamental approaches:

1. Identify
2. Assess and Evaluate
3. Take Action
4. Review and Report

In order to sharpen the skills of our most precious assets, our people, we will incorporate intensive training, development and motivational modules into our corporate ethos. We will find new ways of motivating our people to work together in exceptionally creative and collaborative ways. In a tough global economy, our people are our edge. Our effort would be to bring out their brilliance by pushing them to do their best work, with the spirit of innovation being the fuel. We will work towards ensuring that our managers fully comprehend and share our vision and that all managers work and drive the organization towards the objective stated above.

Leaders Speak
Cotton Spinning

Mr. Sapan Mukherjee
Chief Executive Officer - Spinning

"The domestic market in terms of demand and supply has grown considerably and in 2013-14 this trend is only likely to persist"

The export of cotton and blended yarns has been on the rise since last year and going forward is expected grow exponentially. The domestic market in terms of demand and supply has grown considerably and in 2013-14 this trend is only likely to persist. These two factors should ensure a healthy outcome for the cotton spinning industry, especially for a vertically integrated company like Alok. Cotton output in India is expected to be higher by 5% in the year 2013-2014.

Since inception of spinning in Alok in the year 2006-07, we have established our presence emphatically in the domestic as well as in the international markets. In terms of productivity, we are amongst the leaders in the industry within this short span, an achievement by itself. In recent times we have adopted value added technology for making speciality yarns like core-lycra and fancy-slub yarn which contributes to the main stream business. This is what we term as 'Smart Intelligent Spinning' which not only enhances the topline but also contributes to the bottom line. Going forward we have plans to enhance our capacity in the speciality yarn segment in order to will make us more competitive.

Achieving highest levels of productivity at lowest possible cost with a variety of specialised yarns will add to the mantra of being smart and intelligent in the value chain. Aided with the vision of our management, dedicated work force and superior technology we should only achieve newer and bigger milestones in times ahead.

Leaders Speak
Polyester Yarn

Mr. Reshabh Raizada
Chief Executive Officer -
Polyster & Retail

"We will continue to do what we excel at i.e. improve quality, adhere to delivery schedules and offer the right product for customer satisfaction"

The Polyester Division recorded a sales of ₹ 4842 crores for the 18 month period ended September 30, 2013 resulting in a growth of about 8.40% on annualised basis. Exports of Polyester yarn during the same period was ₹ 1172 crores. Efforts were put in place for installation of Auto Doffing DTY machines, installation of Auto Packaging and Erection, Commissioning and Production of Polyester Staple Fibre both Staple Fibre and Conjugate Fibre.

With the entire plant capacity in operation, we have been able to meet the promises made in terms of offering a wide range of products for enhancing customer delight. Having achieved the requisite economies of scale, efforts were put in for improving efficiencies, right sizing manpower, reducing cost of production and achieving operation excellence by producing premium quality of polyester products. We were able to place our increased production in the domestic and international markets by satisfying customer needs for the product they were looking for.

The Polyester Division has been able to enlarge the customer base in almost all products across domestic and international markets. We will continue to do what we excel at i.e. improve quality, adhere to delivery schedules and offer the right product for customer satisfaction.

The Indian Textile industry is poised to take a major lead as a supplier in the entire globe with its competitive advantages. We are completely geared with the quality, cost, delivery parameters and capacities which the world needs as it moves towards India as preferred supplier of polyester.

Leaders Speak
Processing Plant

Mr. Senthil Kumar
Chief Executive Officer - Processing

"We have been striving continuously to enhance production and reduce cost and remain committed to pursue these twin objectives relentlessly"

We are very pleased to state that our Vapi process plant, amongst the finest in the entire textile sector, perhaps in the world, recorded new milestones in production and cost per meter of fabric.

We have been striving continuously to enhance production and reduce cost and remain committed to pursue these twin objectives relentlessly. Utilities, a major cost at the process plant has been brought down considerably, thanks to the fuel change from gas to coal in our boilers and power trading. The cost is expected to further reduce in the coming months as utilities get streamlined.

Our efforts to meet global challenges and stay ahead in manufacturing efficiency and cost competitiveness have started yielding results. We are now focussed on improving the overall productivity of the processing plant.

We realize that there are challenges to be met. Some of the key issues are:

(a) Increased competition as old competitors evolve and new ones emerge;

(b) Lack of skilled labour and the need to attract and retain good resources and develop them to their full potential, and

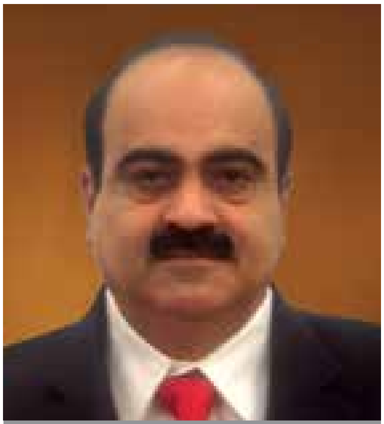
(c) Balancing internal concerns with servicing and satisfying customers.

We will intensify efforts in alleviating the above issues by a mix of smart marketing, high volume - low cost production, introducing value-added products, imbibing best practices in HR and developing customer relationship skills.

We realize that competitive advantage is brought about by good leadership and leadership drives improvement in all areas. We appreciate the focussed drive by the entire team under the stewardship of the Company's top Management.

Leaders Speak

Weaving



Mr. Tulsi Karnani
Chief Executive Officer - Weaving

"The vision and efforts initiated in introduction of new specialty products like technical textiles is now proving its worth"

The weaving facilities at Silvassa mainly comprises of a combination of high speed air jet and rapier looms, capable of producing normal and wider width greige fabric. Being a large scale greige fabric manufacturer and as an integral part of the vertical manufacturing chain, our role is crucial as we are at the start of Alok`s production process after spinning.

With perhaps the largest installation of high speed weaving machines in a single location, we have not only surpassed our own established bench marks in the past 18 months, but also set up new standards in productivity and quality.

The vision and efforts initiated in introduction of new specialty products like technical textiles is now proving its worth. We have been able to execute large volume orders to new customers, especially of protection textiles. We are certain that we will attain a quantum leap in production of this product in the coming years.

Availability of skilled man power and its retention is now a cause of concern to all concerned across the manufacturing sector and textiles is no exception. We have managed to keep the attrition rate of skilled personnel under check with our continuous training and motivational programs across the plant.

In the coming years, we are confident of reaching new heights of efficiencies and introducing innovative and value added products at competitive costs and be in forefront of this competitive market for all the segments of woven fabric.

Leaders Speak

Apparel Woven Fabrics

Mr. Michaeli M. Mesmer
Senior Vice President
Marketing

"We are also deeply studying opportunities to establish our network in the Middle East and South America"

We believe in the ultimate deliverables of business such as volumes, value, profitability and sustainability…, and the very factors that influence achieving the task i.e. consistent service, conscious quality, customised product ranges, competitive product mix. The Apparel woven fabrics team is fully geared up to hit desired deliverables with a young and dedicated team on board, by setting up milestones each year to achieve the desired goal.

Future Major Brands have declared their intention to buy 100% Ethical Fabrics by 2020 and rapidly moving towards their target, Alok who is a pioneer in adopting buying strategies is now completely focused in strengthening its ethical products segment right from farming to fabrics.

We have an established and strong presence in major textile buying markets like Bangladesh and Sri Lanka, Alok's woven fabrics division has carefully analysed the opportunities of spreading it's wings further to emerging markets like Myanmar, Vietnam and Cambodia. We are also deeply studying opportunities to establish our network in the Middle East and South America.

The Indian Retail market which is one of the top 5 Retail Markets in the world by economic value is estimated to be turning over $ 450 Billion at the end of 2013 with considerable Year on Year growth projected in the following years. Alok's apparel fabric division therefore is gearing to pay the highest attention to this segment in the coming years with exclusive marketing teams in place.

Market and product intelligence and Innovation will be the keys to drive our sales strategies in the coming years. Alok is committed to sustainable and ethical growth and the apparel fabric division is expected to be at the forefront leading the way in this regard.

Leaders Speak
Embroidery

Mr. Sanjay Bhatt
Chief Executive Officer - Embroidery

"It is our marketing strategy to add a minimum of two new markets every year and accordingly we propose to add Mali and Indonesia during the forthcoming year"

At our embroidery plants, we produce a wide range of embroidered fabrics, laces and trims for the world market. Our designers continue to create an exquisite range of designs according to prevailing market and fashion trends and we impart high value addition to dress materials, garments and home furnishings.

Since we have got huge manufacturing capacities for both Schiffli and Multi-head machines, we are in position to cater each and every market segment for embroidered products at very low operating cost as compared to our competitors. Merging with our parent company has added lot of synergy in our business and our strategy of endeavouring to offer products at the lowest possible landed cost is paying off handsomely.

During this period of 18 months, we tried to penetrate the South American market but our experience with that market was not encouraging. We found that the market for embroidered products in South America was not lucrative enough as compared to other markets which we operate out of.

It is our marketing strategy to add a minimum of two new markets every year and accordingly we propose to add Mali and Indonesia during the forthcoming year. Our samples have been well received by these markets and we have also received some trial orders from a few customers from Mali and Indonesia.

We have reasons to be confident about our growth in the ensuing years due to the quality of our products, our designing skills, our customer relationship management, our linear integration on the manufacturing front and the tremendous opportunity in the textile sector for our country.

Leaders Speak
Knitted Fabrics

Mr. Arvind Maurya
Chief Executive Officer - Knits

"We have already identified and have developed products for Brands using polyester knit fabrics for sportswear and for functional wear"

Our uniqueness in the Knit division is the well-diversified machine capability to manufacture and offer a wide range of products to reach and satisfy existing and potential customers.

The knit division archived a sales of ₹ 440 crores for the 18 months period ended September 30, 2013 representing a growth of about 9% on annualised basis. The export revenue for the same period was ₹ 191 crores, about 41% of the total revenue of the division.

Looking to the growth opportunities in the export and domestic markets, we have increased finished fabric processing capacity from 1000 tons to 2000 tons per month (knitting 25000 tons) which will be up and running from January 2014. By investing in state of the art machinery, we have focused more on automation to offer better lead times and 'On Time Delivery' to our buyers. This will help us to increase business share with existing buyers and also provide a key advantage in adding new buyers. With 2000 tons production capacity of finished fabrics, we are perhaps the biggest in the SAARC list of countries. We are confident that we will be able to harness the potential of big volume sales to known global brands in coming months, as most of them have already assured us of big volumes and long term buying.

The weak Rupee and bumper cotton crop this year should possibly assist in making us price competitive in price sensitive markets like Bangladesh, and South East Asia. We hope to get an opening with customers we have been trying to penetrate for quite some time now. The new production facility will add new market segments to our customer list. We have already identified and have developed products for Brands using polyester knit fabrics for sportswear and for functional wear. We have provided a new thrust on developing value added products for niche clientele and should soon see the result of these efforts in the form of higher realization per kilogram of fabrics and bigger sales volumes per month.

Leaders Speak

Home Furnishing

Mr. Sanjay Deora
Chief Executive Officer -
Terry Towels

"While we are currently shipping high volume replenishment programs with most of these attributes, we are aiming towards better technological breakthroughs with complex dobby weaves and new fibres"

Globally, the Home Textile Industry is going through a critical phase of high threats and great opportunities. Market conditions in Europe are not very healthy and Turkey has really gained back market share in Europe in last 2 years due to low order volumes, quick turnarounds and less transit times. Furthermore Pakistan has started enjoying zero duty on Cotton made ups import into Europe and this has surely made a dent in the low mid-market share which India enjoyed earlier.

But on the other hand China is no more the cheapest destination for Cotton Home Textiles due to its power and labour issues. This surely provides India with opportunities to delve into China's huge market share in the industry.

Continuous innovation and high focus on R&D has been key to our success so far and we are striving hard to maintain this edge. Customers today are not satisfied with just a good luxurious towel that dries well. It's all about additional features / attributes on the product like cosmetic resistance, low lint, spot free, antimicrobial or high absorbency. While we are currently shipping high volume replenishment programs with most of these attributes, we are aiming towards better technological breakthroughs with complex dobby weaves and new fibres.

The Towel Division at Alok, is looking at aggressive growth. We propose to increase capacity by 50% next year and increase the revenue by even more by focussing on value added products. Furthermore the ecommerce business has shown much promise at a global level and we have achieved considerable success on this platform too. Lastly, our institutional range of towels for Hotels and Hospitals too are on the rise. We are quietly confident of achieving good success and constant growth in the coming years.

Leaders Speak
Garments

Mr. Romi Agarwal
Chief Executive Officer - Garments

"Our Military uniforms are under field trials with various Armies and in times to come, Alok can be expected to be major player in this segment too"

India is one of the top five destinations for sourcing textiles and apparels and the challenge that has always haunted India is how it can leverage its competitiveness.

The time for India is NOW. The positivity has again begun to flow in the country and the industry because of various factors like currency devaluation, compliance related issues in Bangladesh and China getting expensive. Also, the US is showing signs of improvement and EU is stabilizing. These factors are in favor of India and should witness increase in sourcing out of India. If this trend of improvement continues, then investment and expansion will again start in the industry which has almost stopped for some time now. This will also encourage errant workers to remain with the industry.

Alok's garmenting division, over a period of time, has been able to identify and build a strong bonding with its preferred customers. The focus is on improving our service levels, operational efficiencies and maintaining costs, as our product profiles are more or less stable and we have been able to create a niche for ourselves.

Work wear, technical garments and uniform businesses are increasing and the division has been able to establish its products well with its customers. Some of our innovations have been able to make a breakthrough in the Middle East market too. Our Military uniforms are under field trials with various Armies and in times to come, Alok can be expected to be major player in this segment too.

We believe we have a definite edge over competition, thanks to the vertical integration that our company offers, and that we are well positioned to enhance our market share.

Leaders Speak

Hemming

Mrs. Mala Mukherjee
Head - Hemming

"We further plan to add products in our home accessories product line which currently comprises of products such as Table cloth, Table Napkins, Tea Towels, Table Runners, Aprons, Cushion Covers, etc"

For 2013-2014 we aim to be a lean-division by identifying key areas in our production processes where we can reduce costs which will enable us to create more value for our customers, ultimately enhancing profitability for Alok. We have also identified markets and customers which strategically blend into our roadmap in achieving our goal.

The inception of this division was primarily driven by sustainability and since then we have successfully diversified into the Home Accessories product-line catering mainly to the European market. While we take credit in doing so we still are very motivated in promoting 'Re-useable Bags' and 'Handkerchiefs' which is one of our core competence. We have added more value to the shopping bags product-line and part of this business has transitioned into the fashion bags segment. On the handkerchiefs front, we have been innovatively delivering various finishes such as aroma, anti-bacterial and also used various mix of composition such as organic and Better-Cotton. We further plan to add products in our home accessories product line which currently comprises of products such as Table cloth, Table Napkins, Tea Towels, Table Runners, Aprons, Cushion Covers, etc. For our bags, in addition to the U.S. market, going forward we foresee good potential in Europe and for handkerchiefs, while Europe still dominates sales, the domestic market looks very promising and growth driven.

Leaders Speak
Packaging

Mr. Aditya Chirawawala
Head Packaging

"The Packaging plant has an installed capacity of 50,000 MT per annum. Indian packaging has come a long way in the past decade and has experienced significant changes, especially in the past few years"

Alok has one of the most modern, sophisticated packaging plants to manufacture corrugated cartons and textile tubes using fully automated technology. The Packaging plant has an installed capacity of 50,000 MT per annum. Indian packaging has come a long way in the past decade and has experienced significant changes, especially in the past few years. As consumer demand increases, as organized retail becomes more prominent, the demand for good quality packaging materials and solutions will only increase.

The past 18 months have been very exciting at our Packaging plant. We have purchased the India license to manufacture Corrugated Pallets using a patented technology from the United States under the brand name "Unipal". These pallets require no fumigation, are water resistant and have high strength characteristics. This innovative and environmentally friendly technology is being used to replace wooden pallets for export purposes.

Most companies around the country are now making it mandatory to use only cartons supplied by automatic plants. As one of the first movers in this area, we hope to capitalize on this opportunity to cater to various industries such as Textiles, Automobiles, Edible Oils, Chemicals, FMCG's, Pharmaceuticals, Lubricants, etc. From Alok's perspective, these corrugated pallets serve as a highly cost effective and efficient alternative to wooden and / or plastic pallets that were otherwise being used on a returnable basis.

With leading kraft manufacturing companies making an entry into India, we now have high quality raw material at our disposal. This will further aid in improving packaging standards in India and we can look to safely pack and deliver Indian manufactured goods around the world in eco-friendly but strong pallets.

Leaders Speak

Alok International Inc-USA

Mr. Arun Agarwal
Chief Executive Officer,
Alok International Inc.

"Alok has achieved a leadership position in home textiles in North America, is well placed in fabric business and sees significant growth in texturized yarn and polyester fiber business"

In some respects, 1986 (when Alok was incorporated), has a feeling of an alien, distant era. There was no such thing as the World Wide Web then, the Soviet Union was still around; the Berlin wall was still standing. Americans were about to elect a President who would raise taxes to help tame the budget deficit. But one thing has not changed and if anything, it has only grown - the consumption of textiles in various forms across the universe.

Even while cotton has dominance in textiles and there is an upsurge in an "only cotton" movement, top fashion designers are incorporating polyester as a yarn of their choice because of it's adaptability. Top retailers of the world are creating cotton alternative strategies. We at Alok are well placed globally in both segments.

By 2025, the consuming class is expected to swell to 4.2 billion people and consumption in emerging markets expected to reach $30 trillion. Immediate future growth, however, is expected to be driven by advanced economies.

Alok is well placed for the future as a part of the supply chain of the 20 largest retailers in the textile category. Lines are getting blurred between formats and sectors as retailers try to establish ascendency over one another. Alok is strategically placed in every sector to maximize growth.

Alok has achieved a leadership position in home textiles in North America, is well placed in fabric business and sees significant growth in texturized yarn and polyester fiber business.

We are organizing and re-inventing ourselves, not only for today, but for a more robust tomorrow.

Leaders Speak
Mileta-Czech Republic

Mr. Otakar Petracek
Chief Executive Officer,
Mileta a.s.,
Czech Republic

"The construction of the new unit is on the way. We survived and know we are stronger than ever before"

This year I would like to share with you a new experience. Mileta's success graph started climbing from the beginning of last year. We were growing having fully booked our production facilities. December 22, 2012, however totally changed the situation. A huge fire totally engulfed and gutted our entire preparatory unit. Thanks to the outstanding work of the fire-fighting brigade, our weaving and administration units in the same building were saved, with only minor damages.

Today, we are growing again and are fully booked. The construction of the new unit is on the way. We survived and know we are stronger than ever before.

How was it managed? Despite the weaving unit being without electricity, water, gas and full of smoke we never lost trust in our people and our survival. We understood our biggest asset is our own people. All of them were ready to do whatever was necessary. Our customers asked us how they could help and our answer to them was "do not lose trust in us and continue with your orders". We had always been treating them in a fair manner and this approach is what paid off.

We restarted the looms on January 6th 2013 and have not stopped them since. We are stronger as a team now, our relations with business partners is closer.

We have not changed our business approach and continue developing new products. We are focused on new markets in Africa and receiving good orders. In general, the current year seems to be better than the last one.

Lesson learnt? Treat everybody in business fairly and they will stand behind you at the time you need it most.

Leaders Speak

Store Twenty One - UK

Mr. Anupam Jhunjhunwala
Chief Executive Officer -
Store Twenty One

"We have improved our value proposition by offering key opening price points range made possible by increasing our mix of buying through our offices in China, Bangladesh and India"

The UK Retail industry is a very competitive arena and any company that wishes to deliver continuous improved financial performance and survive the challenging High Street needs to understand what the customer wants and then find the products which exceed expectations.

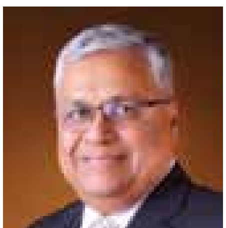
Store Twenty One has found a niche in this market place by offering value products for a middle-aged female customer base, through convenient high street locations. Although we have been affected by the continued recession like all other retailers, the Company has been able to achieve continuous improved financials in the last six months of 2012-13 through our focus on cost control and margin improvement.

Our strategy is to become the No.1 value retailer in the small secondary and tertiary towns of the UK. This is working very well for us and gradually we are becoming our customer's first choice, wherever we have a store. We have improved our value proposition by offering key opening price points range made possible by increasing our mix of buying through our offices in China, Bangladesh and India.

In the current Financial Year, we have brought in external expertise to help drive the business forward. The Leadership team has also changed in the last few months and the Company is now being led by a small group of dynamic, energetic and talented individuals who are committed to driving the business into profit.

Through improved margins, continuous cost control, clear focus on value which is what the UK customer demands and a strong team - we are confident of driving the Company into a strong profitable business in the reviving UK economy.

Board of Directors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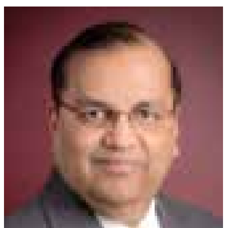
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1. **Mr. Ashok. B. Jiwrajka** (62) is the Executive Chairman of the Company. Mr. Jiwrajka completed his schooling and college from Mumbai. After a brief stint with two then leading textile companies, he joined the family partnership firm and went on 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 yam and home textile segment. He is also a member of the core management committee.

2. **Mr. Dilip B. Jiwrajka** (56) is the Managing Director of the Company. Mr. Jiwrajka did his schooling and college from Mumbal 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 fabr1c and garment segments. He also oversees the Finance and Administration functions of the company, besides managing the operations of the overseas subsidiaries. He is also a member of the core management committee.

3. **Mr. Surendra B. Jiwrajka** (54) is the Joint Managing Director of the Company. Mr. Jiwrajka's schooling and college were completed in Mumbai. Immediately after his graduation, he joined the family partnership firm for trading in yarn and thereafter co-founded Alok Industries Limited in 1986 with his two brothers. Mr. Jiwrajka brings with him an invaluable experience of over 25 years in textiles. As the Joint Managing Director, he plays a critical role in charting the company's growth strategy, oversees the manufacturing and marketing functions of the polyester segment besides finance and capital expenditure. He is also a member of the core management committee

4. **Mr. Ashok G. Ragani** (64) 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 organization. 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 Manufacturing Association of India and was on the Board of Governors of The National Institute of Fashion Technology.

Board of Directors

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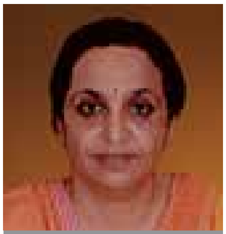

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5. **Mr. K.R. Modi** (71) is an as Independent Director of the company since 10 November 1994. He is an Advocate and Solicitor by profession with over 40 years experience. His academic qualifications include a Bachelor Degree in Art and Law. He was 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.

6. **Mrs. Lalita Sharma** (57) is an Independent Nominee Director since June 29, 2013 nominated by IDBI Bank Limited. She is a BA (Eco. Hons) and DBA. She is presently designated as General Manager, Personal Banking Group, West II Zone, Bhopal. She has rich exposure across multi functions and industries working in various departments of IDBI Bank Limited. Her career with the Bank spans over three and half decades.

7. **Mrs. Thankom T. Mathew** (61) 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 UC of India. She has over 30 years of experience and specialises In the fields of marketing, finance, underwriting, administration and audit.

8. **Mr. Samuel Joseph Jebaraj** (45) has been nominated as an Independent Director by Export- Import Bank of India (EXIM Bank) since January 03, 2013. He is a BE (Hons) and MBA. He has around 20 years of experience in Project and Trade finance. He is a regular speaker too on Banking, Trade finance, Project Finance, SME Banking etc. He is also a member of FICCI'S sartorial committees on Pharmaceuticals and Defense as well as of Task Force on "Financial Solutions for R&D in the pharmaceutical sector" set up by the Ministry of Commerce and Industry, Government of India. He is presently the Chief General Manager and in charge of corporate banking including SME and Agri Financing in EXIM Bank's Head Office in Mumbai.

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9. **Mr. Timothy Ingram** (66) 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 Fellow of Chartered Institute of Bankers. He spent most of his career in banking (Grindlays Bank, ANZ, Abbey National) and then in 2002 became CEO of Caledonia Investments plc, a UK listed investment company. He retired from Caledonia Investments in 2010 and is now Chairman of Collins Stewart Hawkpoint plc, a UK listed investment banking and wealth management business.

10. **Mr. M.V. Muthu** (67) is an independent Nominee Director of the company since April2011, 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 IT'C 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.

11. **Mr. K.H. Gopal** (47) is an Executive Director & Secretary of the Company. Mr. Gopal did his schooling and college from Mumbai. He then obtained his Associate membership with the Institute of Company Secretaries of India and a post-graduation degree in Law from the Mumbai University. Mr. Gopal started his career with a paper company in 1987. Thereafter, he moved on to a company trading in information technology and medical equipment in 1992 before joining Alok Industries Limited in mid-1994. His responsibilities at Alok include overseeing the legal & secretarial, forex management, information technology, HR, Risk Management and administration functions apart from marketing real estate assets. He is also a member of the core management committee.

12. **Mr. Sunil. O. Khandelwal** (49) is an Executive Director and Chief Financial officer of the company. He is a qualified Chartered Accountant and has done Senior Management Programme from IIM- Kolkatta. Mr. Khandelwal has started his career with Alok and has been associated with company from last 24 years. His responsibility in Alok includes Corporate Finance, Operations Review, Account & Tax, Internal control, Investments and Strategic Planning. He is also a member of the core management committee.

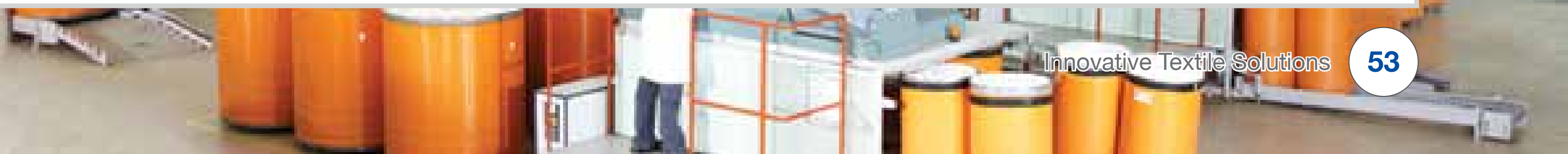
Financial Highlights

Particulars	30-SEP-13 (18 Months) (Audited)	31-MAR-2012 (12 Months) (Audited)	31-Mar-2011 (12 Months) (Audited)	31-MAR-2010 (12 Months) (Audited)
Operating profits				
Net Sales	19,917.75	8,900.86	6,388.43	4,311.17
Operating Profit	5,485.07	2,624.76	1,879.70	1,272.48
Depreciation	1,360.77	713.43	518.79	362.61
Misc. Exp. W/off	-	-	-	-
PBIT	4,124.30	1,911.32	1,360.91	909.87
Interest	2,260.66	1,149.55	736.27	535.08
PBT (operating)	1,863.64	761.77	624.64	374.80
PAT	920.16	380.53	404.36	247.34
Cash Profit	2,896.88	1,334.19	1,083.98	711.89
Dividend	48.34	28.81	22.97	22.97
Net Cash Accruals	2,848.54	1,305.38	1,061.01	688.93
Financial Position				
Gross Fixed Assets	13,469.91	11,840.69	9,920.88	8,215.61
Net Fixed Assets	9,738.56	9,466.25	8,333.76	7,145.11
Current Assets*	14,863.98	8,604.32	5,793.77	4,801.88
Investments	129.15	166.79	139.93	229.69
Total Assets	**24,731.69**	**18,237.36**	**14,267.46**	**12,176.85**
Equity Share Capital	1,377.13	826.28	787.79	787.79
Reserves & Surplus	3,710.99	2,828.23	2,309.81	1,928.57
Tangible Net worth	5,088.12	3,654.51	3,097.60	2,716.19
Share Application Money/Warrants	-	-	-	-
Quasi Net worth - 1	**5,088.12**	**3,654.51**	**3,097.60**	**2,716.19**
Deferred tax liability - 2	664.14	626.77	507.66	406.98
Total Long Term Borrowings				
Preference Share Capital	-	-	-	-
Secured Loans	9,010.35	6,926.44	5,956.06	6,056.69
Unsecured Loans - FCCB	-	-	-	107.21
Unsecured Loans	75.12	86.62	95.34	272.81
	9,085.47	7,013.06	6,051.40	6,436.71
Total Short Term Borrowings				
Secured Loans	2,522.66	2,233.10	1,851.37	1,186.19
Unsecured Loans	22.41	469.39	881.83	43.00
Working Capital Borrowings	4,479.77	2,956.67	1,034.60	843.78
	7,024.84	5,759.16	3,767.80	2,072.97
Total Borrowings - 3	16,110.31	12,772.22	9,819.20	8,509.68
Total Current Liabilities				
Current Liabilities & Provisions - 4	2,869.12	1,183.87	843.00	544.00
Total Liabilities - 1 to 4	**24,731.69**	**18,237.36**	**14,267.46**	**12,176.85**
EPS	9.43	4.69	5.13	4.57
CEPS	20.68	15.80	13.47	9.04
Book Value	36.95	44.23	39.32	34.48

** Includes longterm loans & advances*

(₹ in Crores)

31-MAR-2009 (12 Months) (Audited)	31-MAR-2008 (12 Months) (Audited)	31-MAR-2007 (12 Months) (Audited)	31-MAR-2006 (12 Months) (Audited)	31-MAR-2005 (12 Months) (Audited)	31-MAR-2004 (12 Months) (Audited)
2,976.93	2,170.41	1,824.68	1,420.70	1,224.50	1,068.85
822.61	547.75	410.96	301.26	244.53	198.40
233.50	161.96	123.04	80.48	57.56	38.28
-	-	-	-	-	1.15
589.11	385.79	287.92	220.78	186.97	158.97
304.12	131.83	89.04	66.78	63.68	66.40
284.99	253.96	198.88	154.00	123.29	92.57
188.37	167.73	135.18	109.21	89.25	71.08
513.98	393.14	302.50	189.69	146.81	110.51
17.28	26.28	28.75	30.20	27.92	11.65
496.70	366.86	273.75	159.49	118.89	98.86
6,692.71	4,368.05	2,954.20	2,121.89	1,047.57	690.84
5,983.86	3,891.30	2,583.80	1,874.24	879.27	579.53
2,685.93	3,377.53	1,992.66	1,403.87	1,359.21	846.68
478.58	618.96	219.49	39.70	7.85	4.07
9,159.58	**7,887.79**	**4,795.95**	**3,317.81**	**2,246.33**	**1,430.28**
196.97	187.17	170.37	157.47	134.02	88.23
1,421.59	1,134.01	854.07	650.06	460.73	218.00
1,607.36	1,321.18	1,024.44	807.53	594.75	306.23
147.70	110.16	-	-	3.32	21.42
1,755.06	**1,431.34**	**1,024.44**	**807.53**	**598.07**	**327.65**
307.97	210.48	141.82	100.10	75.10	50.52
-	-	-	68.00	84.33	83.67
4,948.43	3,706.66	2,049.13	1,392.13	823.89	371.48
121.01	94.87	202.87	220.63	-	-
51.09	103.28	6.48	61.32	17.63	19.97
5,120.53	3,904.81	2,258.48	1,742.08	925.85	475.12
608.64	550.00	215.00	85.00	102.08	75.00
168.02	745.01	294.36	62.34	61.77	50.77
699.16	567.49	568.92	323.08	313.54	301.20
1,475.82	1,862.50	1,078.28	470.42	477.39	426.97
6,596.35	5,767.31	3,336.76	2,212.50	1,403.24	902.09
500.19	478.66	292.93	197.68	169.92	150.02
9,159.58	**7,887.79**	**4,795.95**	**3,317.81**	**2,246.33**	**1,430.28**
9.64	11.40	9.70	6.68	7.25	7.90
24.04	20.53	16.99	12.61	12.68	12.53
89.10	76.47	60.13	51.28	44.38	34.70



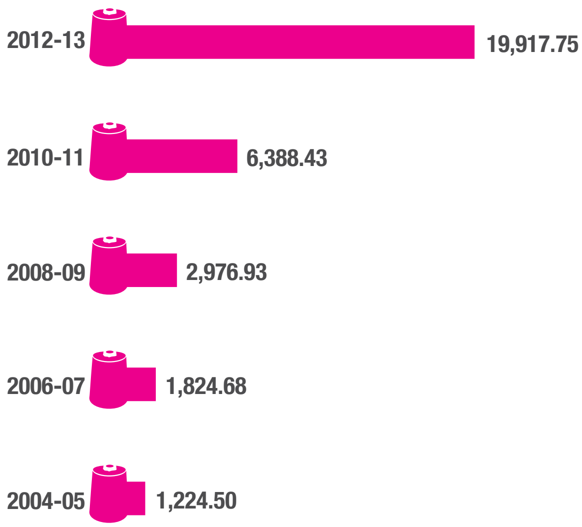
Key Ratios

Particulars	30-SEP-13 (18 Months) (Audited)	31-MAR-2012 (12 Months) (Audited)	31-Mar-2011 (12 Months) (Audited)	31-MAR-2010 (12 Months) (Audited)
Profitability Ratios				
EBITDA (%)	**27.54%**	29.49%	29.42%	29.52%
Profit Before Tax Margin (%)	**9.36%**	8.56%	9.78%	8.69%
Profit After Tax Margin (%)	**4.62%**	4.28%	6.33%	5.74%
Return on Net worth (%)	**12.06%**	10.41%	13.05%	9.11%
Return on Capital Employed (%)	**13.53%**	12.63%	11.56%	9.25%
Balance Sheet Ratios				
Net Total Debt - Equity	**2.99**	3.14	2.80	2.62
Net Total Debt / EBITDA	**4.16**	4.37	4.62	5.59
Current Ratio	**1.50**	1.24	1.26	1.83
Coverage Ratios				
PBDIT/Interest	**2.43**	2.28	2.55	2.38
Debtors Turnover - Days	**138**	88	99	93
Inventory Turnover - Days	**158**	139	114	125

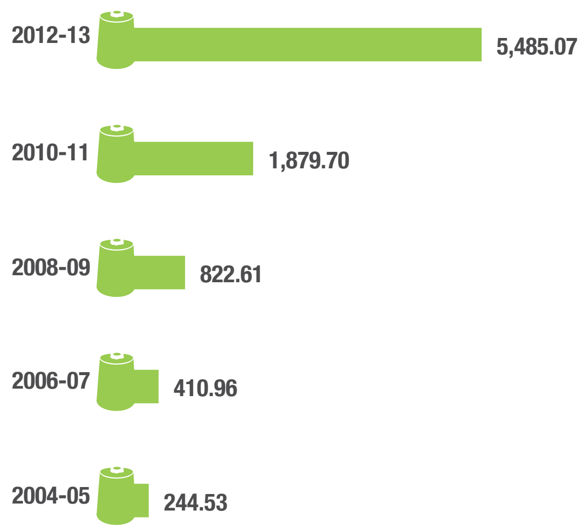
31-MAR-2009 (12 Months) (Audited)	31-MAR-2008 (12 Months) (Audited)	31-MAR-2007 (12 Months) (Audited)	31-MAR-2006 (12 Months) (Audited)	31-MAR-2005 (12 Months) (Audited)	31-MAR-2004 (12 Months) (Audited)
27.63%	25.24%	22.52%	21.21%	19.97%	18.56%
9.57%	11.70%	10.90%	10.84%	10.09%	8.66%
6.33%	7.73%	7.41%	7.69%	7.29%	6.65%
10.73%	11.72%	13.11%	12.45%	13.32%	21.16%
7.36%	6.98%	8.05%	8.88%	10.90%	13.89%
3.56	2.86	2.49	2.08	1.52	2.27
7.60	7.47	6.21	5.57	3.71	3.75
1.36	1.44	1.45	2.10	1.92	1.34
2.70	4.15	4.62	4.51	3.84	2.99
108	102	109	91	120	149
116	116	93	92	108	70

Key Indicators

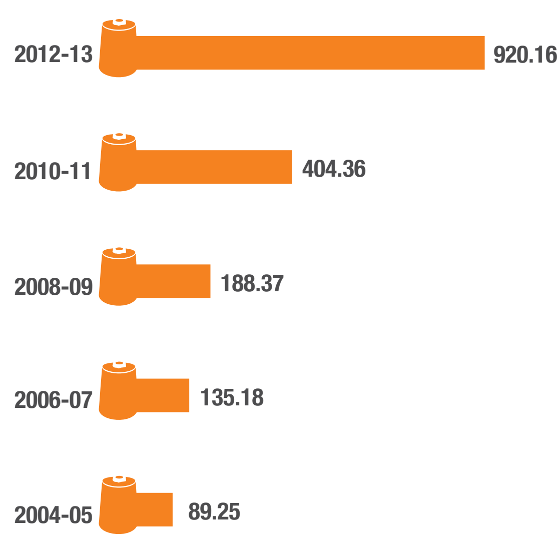
Net Sales (₹ Crores)



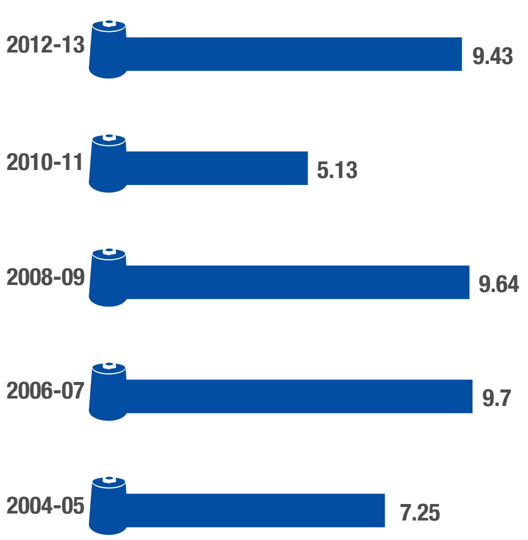
EBITDA (₹ Crores)



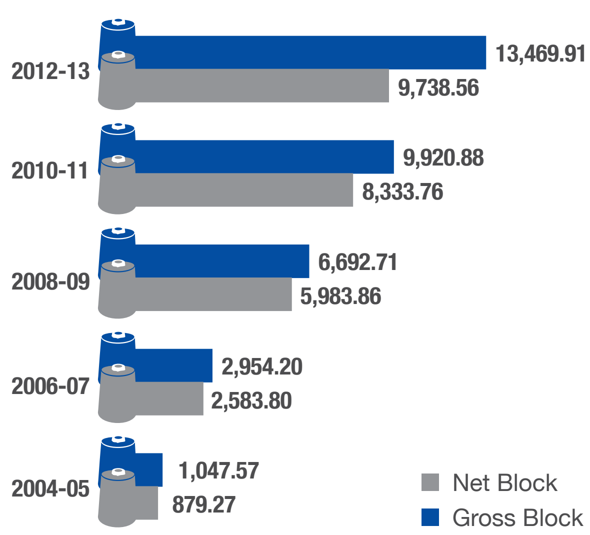
Operating Profit After Tax (₹ Crores)

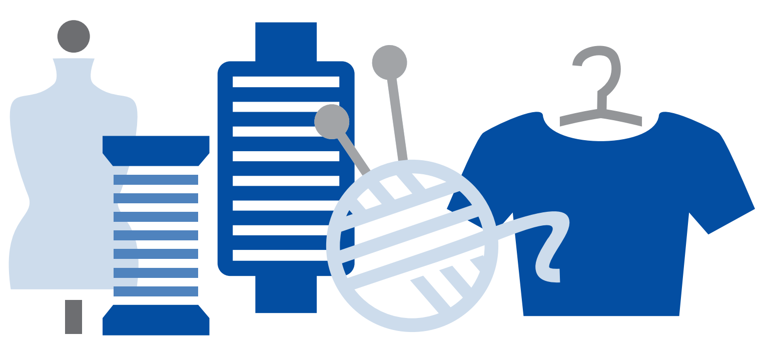


EPS (₹ Crores)



Fixed Assets (₹ Crores)





Notice

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the members of ALOK INDUSTRIES LIMITED will be held on Friday, the 27 December, 2013 at 12.00 noon at the Registered Office of the Company at Survey Nos.17/5/1 & 521/1, Village Rakholi/ Saily, Silvassa – 396230, Union Territory of Dadra and Nagar Haveli, to transact the following businesses.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 30 September, 2013, the Profit & Loss Account for the period ended on that date together with the Reports of the Directors and Auditors thereon.

2. To declare dividend on Equity Shares for 18 months period ended 30 September 2013.

3. To appoint a Director in place of Mr. Surendra B. Jiwrajka who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. Ashok G. Rajani who retires by rotation and being eligible, offers himself for re-appointment.

5. To appoint M/s. Deloitte Haskins & Sells LLP, 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. Deloitte Haskins & Sells LLP, Chartered Accountants, (Registration No. 117366W / W-100018) 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** Mr. Sunil O. Khandelwal, who was co-opted as an Additional Director by the Board of Directors of the Company with effect from 10 November, 2012 and who holds office of Director up to the date of this Annual General Meeting pursuant to Article 130 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 and in respect to whom the Company has received a notice pursuant to Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director be and is hereby appointed as Director of the Company."

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

   "RESOLVED THAT Mr. K.H.Gopal, who was co-opted as an Additional Director by the Board of Directors of the Company with effect from 10 November, 2012 and who holds office of Director up to the date of this Annual General Meeting pursuant to Article 130 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 and in respect to whom the Company has received a notice pursuant to Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director be and is hereby appointed as Director of the Company."

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

"**RESOLVED THAT** pursuant to the provisions of section 198, 269, 309, 310,311,314 read with Schedule XIII to the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force) the Company hereby approves the re-appointment of Mr Ashok B. Jiwrajka, Mr Dilip B. Jiwrajka and Mr Surendra B. Jiwrajka as Whole-time Directors designated as Executive Chairman, Managing Director and Joint Managing Director of the company respectively for a further period of five years with effect from 10th March, 2013 on the terms and conditions including salary, perquisites, allowances and commission as are set out in the Agreements entered into between the Company and Mr Ashok B. Jiwrajka, Mr Dilip B. Jiwrajka and Mr Surendra B. Jiwrajka, placed before the meeting, which agreements are hereby specifically sanctioned with liberty to the board of directors to alter and vary the terms and conditions of the said appointment and/or agreement as may be varied by the general meeting, but so as not to exceed the limits, if any, specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto."

"**RESOLVED FURTHER THAT** where in any accounting period on and after 30th September, 2013 the Company has no profits or its profits are inadequate, the Company do pay to Mr Ashok B. Jiwrajka, Mr Dilip B. Jiwrajka and Mr Surendra B. Jiwrajka, remuneration by way of salary, perquisites and allowances not exceeding the ceiling limit specified under Section II of Part II of Schedule XIII to the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force)."

9. **To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII, 314 and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force) read with relevant provisions of the Articles of Association of the Company and subject to such sanctions as may be necessary,Mr. Sunil O. Khandelwal, who was already serving the Company as its Chief Financial Officer, be and is hereby appointed as the Executive Director and Chief Financial Officer, liable to retire by rotation, for a period of 5 (five) years commencing from November 10, 2012, to November 9, 2017, and on the remuneration as set out below:

A. Remuneration: Total Salary of ₹ 10,21,154/- per month with effect from 01st April 2013 subject to the provisions of the Companies Act or any amendments/ modifications thereof, including all allowances which is payable on monthly basis with annual increments as may be decided by the Remuneration Committee, based on merit and taking into account the Company's performance.

B. Perquisites: Benefits and perquisites as may be determined/decided by the Remuneration Committee from time to time and as per the policy of the Company from time to time.

C. In the event of loss or inadequacy of profits in any financial year during the currency of his tenure, the Company will pay remuneration by way of salary, perquisites and allowances not exceeding the ceiling limits set out in Section II of Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force).

RESOLVED FURTHER THAT the other terms and conditions of the agreement dated 10.11.2012 entered between the Company and Mr. Sunil O. Khandelwal remains unchanged.

RESOLVED FURTHER THAT the Remuneration Committee of the Company be and is hereby authorized to revise from time to time during the tenure of the present appointment of Mr. Sunil O. Khandelwal, the remuneration payable to him as Executive Director & Chief Financial

Officer, subject to the ceilings laid down in Section 198,309 and Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) without further approval of the members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

RESOLVED FURTHER THAT the Remuneration Committee be and is hereby authorised to take such steps as may be necessary and desirable to give effect to this resolution."

10. **To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII, 314 and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force) read with relevant provisions of the Articles of Association of the Company and subject to such sanctions as may be necessary,Mr. K.H. Gopal, who was already serving the Company as its President (Corporate Affairs) & Secretary, be and is hereby appointed as the Executive Director and Secretary, liable to retire by rotation, for a period of 5 (five) years commencing from November 10, 2012, to November 9, 2017, and on the remuneration as set out below:

A. Remuneration: Total Salary of ₹ 9,91,050/- per month with effect from 01st April 2013 subject to the provisions of the Companies Act or any amendments/ modifications thereof, including all allowances which is payable on monthly basis with annual increments as may be decided by the Remuneration Committee, based on merit and taking into account the Company's performance.

B. Perquisites: Benefits and perquisites as may be determined/decided by the Remuneration Committee from time to time and as per the policy of the Company from time to time.

C. In the event of loss or inadequacy of profits in any financial year during the currency of his tenure, the Company will pay remuneration by way of salary, perquisites and allowances not exceeding the ceiling limits set out in Section II of Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force).

RESOLVED FURTHER THAT the other terms and conditions of the agreement dated 10.11.2012 entered between the Company and Mr. K.H.Gopal remains unchanged.

RESOLVED FURTHER THAT the Remuneration Committee of the Company be and is hereby authorized to revise from time to time during the tenure of the present appointment of Mr. K.H.Gopal, the remuneration payable to him as Executive Director & Secretary, subject to the ceilings laid down in Section 198,309 and Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) without further approval of the members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

"**RESOLVED FURTHER THAT** the Remuneration Committee be and is hereby authorised to take such steps as may be necessary and desirable to give effect to this resolution,."

11. **To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special 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 29 September 2011, thereby limiting the borrowing powers of the Board of Directors of the Company upto ₹ 15,000 crores (Rupees Fifteen Thousand Crores only), the consent of the Company be and is hereby accorded pursuant to Clause (c) of Sub-section (1) of Section 180 and other applicable provisions, if any, of the Companies Act, 2013 and 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 ₹ 16,500 crores (Rupees Sixteen Thousand Five Hundred Crores only)."

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

"**RESOLVED THAT** pursuant to the provisions of Clause (a) of Sub-section (1) of Section 180 and other applicable provisions, if any, of the Companies Act, 2013 and 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 ₹ 16,500 crores (Rupees Sixteen Thousand Five Hundred Crores 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
Executive Director & Secretary

Registered Office:
17/5/1 & 521/1,
Village Rakholi / Saily,
Silvassa – 396 230,
Union Territory of Dadra & Nagar Haveli
Date: November 23, 2013

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 Companies Act, 1956 and Section 102 of the Companies Act, 2013, is enclosed hereto.

4. The Register of Members and Share Transfer Books of the Company will be closed from Friday, the 20 December 2013 to Friday, the 27 December 2013 (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 27 December 2013; 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 20 December 2013 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, Kantilal Maganlal Estate, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai 400 078, India, Tel: +91 22 2596 0320, Fax: +91 22 2596 0329, in respect of their physical shares, if any, quoting their folio nos.

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 holdings shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents, M/s.Link Intime India Private Limited.

10. The Company has already transferred the unclaimed Dividend, declared upto the financial year ended 31st March 2005 and 31st March 2006 to the Investor Education and Protection Fund (IEPF).

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

    Pursuant to the provisions of Section 205A of the Companies Act, 1956 dividends for the financial year ended 31 March 2007 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 of Declaration	Last date for claiming unpaid dividend	Due date for Transfer to IEPF
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
31.03.2011	29.09.2011	28.09.2018	28.10.2018
31.03.2012	14.08.2012	13.08.2019	12.10.2019

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

Financial Year ended	Date of declaration	Last date for claiming unpaid dividend	Due date for transfer to IEPF
31.03.2007	30.09.2007	29.09.2014	29.10.2014
31.03.2008	30.09.2008	29.09.2015	29.10.2015
31.03.2009	30.09.2009	29.09.2016	29.10.2016
31.03.2010	30.09.2010	29.09.2017	29.10.2017
31.03.2011	29.09.2011	28.09.2018	28.10.2018

Members who have so far not encashed their dividend warrants pertaining to the aforesaid years are advised to submit their claim to the Company's R&TA at the address mentioned above immediately quoting their folio number/ DP ID & Client ID. It may be noted that once unclaimed divided 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. Surendra B. Jiwrajka and Mr. Ashok G. Rajani 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:

BSE Limited Floor 25, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001.	**National Stock Exchange of India Limited,** Exchange Plaza, 5th Floor, Plot No.C/1, "G" Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.

    The Listing fees in all the above stated Exchanges have been paid upto 31 March 2014.

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
Executive Director & Secretary

Registered Office:
17/5/1 & 521/1,
Village Rakholi / Saily,
Silvassa – 396 230,
UT of Dadra & Nagar Haveli
Date: November 23, 2013

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 and Section 102 of the Companies Act, 2013

Item No.6 & 9

Pursuant to Article 130 of the Articles of Association of the Company, the Board of Directors on 10 November 2012 co-opted Mr. Sunil O. Khandelwal as an Additional Director on the Board of the Company. Being an Additional Director, he holds the office up to the date of this Annual General Meeting.

The Board of Directors further appointed Mr. Sunil O. Khandelwal , who was serving the Company as Chief Financial Officer, as the Executive Director & Chief Financial Officer, for a period of 5 years commencing from 10 November 2012 subject to the approval of the shareholders on the terms and conditions as set out in the Agreement entered between the Company and Mr. Sunil O. Khandelwal on 10.11.2012. The remuneration payable to Mr. Sunil O. Khandelwal is stated in the resolution at item No. 9 of this Notice.

Mr. Sunil O. Khandelwal was serving the Company as its Chief Financial Officer and that his appointment as Executive Director and Chief Financial Officer is treated as continuation of service.

Mr. Sunil O. Khandelwal is not a director in any other Company. He is holding 2000 Equity Shares in the Company.

Mr. Sunil O. Khandelwal, is not related to any of the Directors on the Board of the Company as per provisions of Section 6 of the Companies Act, 1956.

None of the Directors except Mr. Sunil O. Khandelwal, is in any way concerned or interested in the said resolution.

As required by Section 257 of the Companies Act, 1956, the Company has received a notice along with deposit from a member proposing the candidature of Mr. Sunil O.Khandelwal for the office of Director of the Company.

Hence your Directors recommend the resolution at item no.6&9 for approval of the members.

Item No. 7 & 10

Pursuant to Article 130 of the Articles of Association of the Company, the Board of Directors on 10 November 2012 co-opted Mr. K.H.Gopal as an Additional Director on the Board of the Company. Being an Additional Director, he holds the office up to the date of this Annual General Meeting.

The Board of Directors further appointed Mr. K. H. Gopal, who was serving the Company as President (Corporate Affairs) & Secretary, as the Executive Director & Secretary, for a period of 5 years commencing from 10 November 2012 subject to the approval of the shareholders on the terms and conditions as set out in the Agreement entered between the Company and Mr. K.H.Gopal on 10.11.2012. The remuneration payable to Mr. K.H.Gopal is stated in the resolution at item No. 10 of this Notice.

Mr. K.H.Gopal was serving the Company as its President (Corporate Affairs) & Secretary and that his appointment as Executive Director and Secretary is treated as continuation of service.

Mr. K.H.Gopal is not a director in any other Company. He is not holding any Equity Shares in the Company.

Mr. K.H.Gopal, is not related to any of the Directors on the Board of the Company as per provisions of Section 6 of the Companies Act, 1956.

None of the Directors except Mr. K.H.Gopal, is in any way concerned or interested in the said resolution.

As required by Section 257 of the Companies Act, 1956, the Company has received a notice along with deposit from a member proposing the candidature of Mr. K.H.Gopal for the office of Director of the Company.

Hence your Directors recommend the resolution at item no.7& 10 for approval of the members.

Item no. 8

The members, at the Annual General Meeting held on 29th September, 2008, had renewed the appointment of Mr Ashok B. Jiwrajka, Mr Dilip B. Jiwrajka, Mr Surendra B. Jiwrajka as Whole-time Directors designated as Executive Chairman, Managing Director and Joint Managing Director respectively for a further period of 5 years with effect from 10th March, 2008 on the terms and conditions contained in the Agreements all dated 10th March, 2008 entered into between the Company and the respective Whole-time directors. The Board of Directors at their meeting held on 13th February, 2013 re-appointed Mr Ashok B. Jiwrajka, Mr Dilip B. Jiwrajka, Mr Surendra B. Jiwrajka for a further period of 5 years with effect from 10th March,2013 to 09th March, 2018 on the terms and conditions contained in the Agreements all dated 10th March, 2013 entered into between the respective Whole-time Directors and the Company.

The above re-appointments may be approved by the members in General Meeting and the Directors commend this resolution for acceptance by the members.

The Agreements entered between the Company and each of Mr Ashok B. Jiwrajka, Mr Dilip B. Jiwrajka and Mr Surendra B. Jiwrajka are available for inspection by the members of the Company at the Corporate Office of the company between 11.00 a.m. to 1.00 p.m. on all working days of the Company, except Saturdays, upto the date of the meeting.

Hence your Directors recommend the resolutions at item no.8 for approval of the members.

Mr Ashok B. Jiwrajka, Mr Dilip B. Jiwrajka and Mr Surendra B. Jiwrajka are interested in this resolution. Save and except the above, none of the other Directors of the Company are, in any way concerned or interested in the resolution.

Item no. 11

At the Annual General Meeting of the Company held on 29 September 2011, 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 ₹ 15,000 crores. 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 ₹ 16,500 crores pursuant to Section 180(1)(c) of the Companies Act, 2013.

The Resolution at item no.11 is therefore, placed for the approval of the Members pursuant to Section 180(1)(c) of the Companies Act, 2013.

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

Item no. 12

As stated in the explanatory statement at Item No.11 of this notice, your Company's activities and operations are increasing, thereby necessitating borrowings as stated in the resolution at Item No.11. 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.12 is therefore, placed for approval of the members pursuant to Section 180(1)(a) of the Companies Act, 2013.

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
Executive Director & Secretary

Registered Office:
17/5/1 & 521/1,
Village Rakholi / Saily,
Silvassa – 396 230,
UT of Dadra & Nagar Haveli
Date: November 23, 2013

Directors' Report to the Shareholders

Dear Shareholders:

We take immense pleasure in presenting the 27 Annual Report of your Company together with the Audited Accounts for the 18 months period ended 30 September 2013. The summarized financial results (stand-alone and consolidated) are given below in Table 1.

Table 1: Financial Highlights: Stand-Alone and Consolidated

(₹ Crores)

Particulars	Stand alone		Consolidated	
	2012-13 (18 Months)	2011-12 (12 Months)	2012-13 (18 Months)	2011-12 (12 Months)
Sales / Job charges (net of excise)	**19,917.75**	8,900.86	**21,388.36**	9,784.72
Other Income	**60.16**	65.60	**94.00**	95.51
Total Income	**19,977.91**	8,966.46	**21,482.36**	9,880.23
Total Expenditure	**14,492.84**	6,341.71	**16,155.19**	7,408.31
Operating Profit Before Interest, Depreciation & Taxes	**5,485.07**	2,624.75	**5,327.17**	2,471.92
Interest	**2,260.66**	1,149.55	**2,495.62**	1,234.70
Depreciation	**1,360.77**	713.43	**1,418.20**	749.14
Profit Before exceptional items & Tax	**1,863.64**	761.77	**1,413.35**	488.08
Exceptional Items	**(463.74)**	(121.27)	**(634.38)**	(121.27)
Profit Before Tax	**1,399.90**	640.50	**778.97**	366.81
Add / (Less): Provision For Taxation				
— Current Tax	**(449.31)**	(157.64)	**(456.04)**	(172.93)
— Excess provision for tax in respect of earlier year (net) Current Tax	**6.94**	-	**6.76**	-
— Deferred Tax Provision	**(37.37)**	(102.33)	**(35.04)**	100.97
Profit After Tax	**920.16**	380.53	**294.65**	92.91
Add/(Less): Share of Profit of Associates	**-**	-	**2.07**	0.08
Profit After Tax after Minority Interest	**920.16**	380.53	**296.72**	92.99
Balance brought forward from the previous year	**1380.16**	921.61	**629.63**	594.97
Add: Profit and Loss Reserve on Amalgamation	**-**	54.85	**49.31**	(80.63)
Balance available for appropriation	**2300.32**	1356.99	**975.65**	607.33
Which the Directors apportioned as follows:				
(i) Proposed Dividend	**(41.32)**	(24.79)	**(41.32)**	(24.79)
(ii) Dividend Tax thereon	**(7.02)**	(4.02)	**(7.94)**	(4.02)
(iii) Transferred from Debenture Redemption Reserve	**76.86**	51.90	**76.86**	51.90
(iv) Excess / (Short) Provision of Dividend and Tax thereon of previous year	**-**	0.08	**(0.58)**	(0.22)
(v) Transferred to General Reserve	**-**	-	**(0.47)**	(0.31)
(vi) Transferred to Capital Reserve	**-**	-	**-**	(0.26)
Sub-total	**28.52**	23.17	**26.56**	22.30
Balance to be carried forward	**2328.84**	1380.16	**1002.21**	629.63

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

Performance

The current period being the 18 months from April 2012 to September 2013 is not comparable to the financials of the previous year.

For the 18 month period ended September 30, 2013 your Company recorded sales of ₹ 19,917.75 crores. The exports of your Company for the year (including incentives) stood at ₹ 5108.91 crores. The profit before tax was at ₹ 1399.90 crores.

All the divisions of the company recorded growth with the Apparel fabrics division recording the highest growth.

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

Awards and Recognition

During the year under review, your Company has won the maximum number of awards from the Cotton Textile Exports Council of India (TEXPROCIL) in the following categories:

1. Gold Trophy for the Highest Exports of Bleached/ Dyed/Yarn Dyed/Printed Fabrics in the Category III
2. Gold Trophy for the Highest Exports of Bed Linen/Bed Sheets/Quilts in Made-ups under the Category III
3. Silver Trophy for the Second Highest Global Exports (Overall)
4. Gold Trophy (Small) for the Highest Exports of Other Fabrics including Embroidered Fabrics, Laces in the Category II
5. Silver Trophy (Small) for the Second Highest Exports of Terry Towels in Made-ups under the Category II
6. Gold Plaque for the Highest Exports of Other Cotton Made-ups in the Category I

Dividend

Your Directors have recommended a dividend of ₹ 0.30 per equity share of ₹ 10/- each (previous year ₹ 0.30 per share) for the 18 month period ended 30 September 2013 and seek your approval for the same. If approved, the total amount of dividend to be paid to the equity shareholders will be ₹ 41.32 crores (excluding tax of ₹ 7.02 crores) as against ₹ 24.79 crores paid last year (excluding tax of ₹ 4.02 crores). Based on the above dividend payout (including dividend tax), the dividend payout ratio works out to 5.25% of Profit After Tax (PAT) as against 7.57% for 2011-12.

Capital

During the period under review, your Company had, on May 8, 2013 issued and allotted 55,08,46,238 Equity Shares of ₹ 10 each for cash at par to the existing






shareholders of the Company on rights basis in the ratio of 2 rights equity shares for every 3 equity shares held on the Record Date i.e. February 19, 2013.

The Company's equity share capital as on 30 September 2013 stands at ₹ 1377.13 crores divided into 137,71,15,595 fully paid equity shares of ₹ 10/- each.

Loans

During 18 months period ended September 30, 2013, your Company has raised incremental debt of ₹ 3338.09 crores, both secured and unsecured, by way of rupee loans and foreign currency loans for meeting capital expenditure and working capital requirements. The total debt at the end of the period stood at ₹ 16110.31 crores compared to ₹ 12772.22 crores at the end of the previous year.

Capital Expenditure

As at September 30, 2013, gross fixed assets (including CWIP) stood at ₹ 13469.90 crores and the net fixed assets stood at ₹ 9738.56 crores. During the 18 month period ended September 30, 2013, your company has incurred a capital expenditure of ₹ 1629.23 crores across various divisions. This was mainly invested in additional capacities in Polyester division for Partially Oriented Yarn, Polyester Staple Fibre & Texturising, Knit & Knit Processing and regular capex.

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

Extension of Accounting Period

Your Company extended its accounting period upto 18 months, i.e. 1st April 2012 to 30th September, 2013 has obtaining necessary approvals in this regard. The Company has also obtained the necessary approval to convene the Annual General Meeting on or before 31st December, 2013 in accordance with Section 166 read with Section 210 of the Companies Act, 1956.

Deposits

During the period under review your company has accepted fixed deposit of ₹ 0.94 crores without public invitation as per Rule 4A of the Companies (Acceptance of Deposits) Rule, 1975.

Subsidiary Companies

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

Subsidiaries of Alok Industries Limited	
1.	Alok Infrastructure Limited
2.	Alok International Inc. (incorporated in the state of Delaware, USA)
3.	Alok International (Middle East) FZE (incorporated in Dubai)
4.	Alok Singapore Pte Limited (incorporated in Singapore)
5.	Alok Worldwide Limited (incorporated in the British Virgin islands)

Step-down subsidiaries of Alok Industries Limited

Parent Company	Subsidiary	% Holding
Alok Infrastructure Limited	Alok Industries International Ltd.	100.00%
	Grabal Alok International Limited	100.00%
Alok Industries International Ltd. (incorporated in the British Virgin islands)	Mileta, a.s.(incorporated in the Czech Republic)	100.00%
	Grabal Alok (UK) Limited	41.72%
Grabal Alok International Ltd. (incorporated in the British Virgin islands)	Grabal Alok (UK) Limited	48.71%

Amalgamation of Domestic Subsidiary Companies: Pursuant to a Scheme of Amalgamation sanctioned by the Bombay High Court vide its Order dated 11 October 2013, some of the Wholly Owned Subsidiaries / Step-down Subsidiaries viz. Alok Relators Private Limited, Alok Land Holdings Private Limited, Alok H&A Limited, Alok Retail (India) Limited and Alok Apparels Private Limited (transferor Companies) were merged with Alok Infrastructure Limited, a Wholly Owned Subsidiary of your Company with appointed date of 1 April 2012. The Scheme has become effective from 15th November 2013.

The Ministry of Corporate Affairs, Government of India has issued a Circular No.2 / 2011 dated 8th 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 to the Company 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 associates. The Annual Accounts of these subsidiary companies and the related detailed information will be made available to the shareholder 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.

Auditors' Report

The Auditors' Report to the Shareholders does not contain any qualification.

Employees Stock Option Plans

On September 28, 2013 the Remuneration Committee granted 2,30,44,650 options under Grant 3 at an exercise price of ₹ 10 each. All outstanding Options granted under Grant 1 and Grant 2 were voluntarily surrendered by Employees. The above options vest for a year i.e. upto September 28, 2014 and can be exercised by the Employees upto September 28, 2016. Each option represents a right but not obligation to apply for 1 fully paid equity share of ₹ 10/- The information as required pursuant to the Securities & Exchange Board of India (Employees' Stock Option Scheme and Employees' Stock Purchase Scheme) Guidelines, 1999 is annexed hereto as Annexure I and forms part of this report.

Business Responsibility Reporting

SEBI, vide its circular CIR / CFD / DIL/ 8/ 2012 dated August 13, 2012, mandated the top 100 listed companies, based on market capitalization at BSE and NSE, to include Business Responsibility Report as part of the Annual Report.

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

Corporate Social Responsibility

Details of your Company's Corporate Social Responsibility (CSR) initiatives are given under the head 'Sustainability', in the Management Discussion and Analysis forming part of this Annual Report.

Corporate Governance

Your Company's endeavor is to achieve the highest standards of Corporate Governance. Your Company continues to be compliant with the requirements of clause 49 of the Listing Agreement which relates to 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 and is also annexed to the report on Corporate Governance.

Directors

During the period Mr. Sunil O Khandelwal was appointed as Executive Director & Chief Financial Officer with effect from November 10, 2012.

Mr. K.H. Gopal was appointed as Executive Director & Secretary with effect from November 10, 2012.

Mr. David Rasquinha, Nominee Director of EXIM Bank, resigned from the Board of Directors with effect from January 3, 2013.

Mr. Samuel Joseph Jebaraj was appointed as Nominee Director representing EXIM Bank with effect from January 3, 2013.

Ms. Maya Chakravorty, Nominee Director of IDBI Bank Limited, resigned from the Board of Directors with effect from June 29, 2013.

Mrs. Lalita Sharma was appointed as Nominee Director representing IDBI Bank Limited with effect from June 29, 2013.

Mr. Chandrakumar Bubna Executive Director of the Company resigned from the Board of Directors with effect from September 30, 2013.

The Board wishes to place on record their appreciation for the contribution of Mr. David Rasquinha, Ms. Maya Chakravorty and Mr. Chandrakumar Bubna during their tenure as Directors of your Company.

Mr. Surendra B. Jiwrajka and Mr. Ashok G. Rajani 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.

The notice convening the Annual General Meeting includes the proposal for appointment / reappointment of Directors.

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:

i. in the preparation of the annual accounts for the 18 months period ended September 30, 2013, the applicable Accounting Standards have been followed and there has been no material departure;

ii. the Directors have selected such accounting policies, consulted and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at September 30, 2013 and of the profit of your Company for the period ended on that date;

iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,1956, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

iv. they have prepared the annual accounts for the 18 months period ended 30 September 2013 on a 'going concern' basis and

v. the Company has adequate internal systems and controls in place to ensure compliance of laws applicable to the Company.

Consolidated financial statements

The Consolidated Financial Statements of the Company prepared as per the Accounting Standard AS21 and Accounting Standard AS 23, consolidating the Company's accounts with its subsidiaries and an associate have also been included as part of this Annual Report.

The Auditors' Report to the Shareholders does not contain any qualification.

Auditors

Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of the Company was converted into Deloitte Haskins & Sells LLP, a limited liability partnership. They 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 Auditor 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 are not disqualified for re-appointment within the meaning of the section 226 of the said Act

Cost Auditor

Pursuant to the directives of the Central Government under the provisions of Section 233B of the Companies Act, 1956, the Board of Directors has appointed M/s B. J. D. Nanabhoy & Co., Cost Accountants as Cost Auditors to conduct audit of cost records relating to the products manufactured by your Company for the Financial Year 2012-13. Their appointment has been approved by the Central Government.

Further, the Board of Directors at their meeting held on 29/05/2013, has reappointed them to audit the cost records of your Company for the Financial Year 2013-14, subject to the approval of the Central Government.

The Report of the Cost Auditors for the period ended September 30, 2013 is under preparation and would be filed with the Ministry of Corporate Affairs (MCA) within the stipulated time period.

Personnel

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

The information required on particulars of employees as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 is annexed hereto as Annexure II and 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' section of the attached Management Discussion & Analysis.

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

Your directors take this opportunity to thank the Central and State Governments, Government authorities, Financial Institutions, Banks, Stock Exchanges, Customers, Vendors and all other Stakeholders for their continued cooperation and support to the company.

For and on behalf of the Board

Place: Mumbai
Dated: November 23, 2013

Dilip B. Jiwrajka
Managing Director

ANNEXURE I

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

Particulars		Alok ESOS 2010			
		Grant 1	Grant 2	Grant 3	Total
(a)	Options granted	1,280,000	9,511,500	23,044,650	33,836,150
(b)	Pricing Formula	Rs.18.90	Rs.21.42	Rs.10.00	
(c)	Options vested (Upto 30 Sept, 2013)	0	0	0	10,791,500
(d)	Options exercised (Upto 30 Sept, 2013)	0	0	0	0
(e)	Total number of shares arising as a result of exercise of options	0	0	0	0
(f)	Options lapsed/surrendered (Upto 30 Sept, 2013)	1,280,000	9,511,500	21,800	10,813,300
(g)	Variation of terms options (Upto 30 Sept, 2013)	No change during the year			0
(h)	Money realized by exercise of options	0	0	0	0
(I)	Total number of options in force (Upto 30 Sept, 2013)	0	0	23022850	23,022,850
(j)	Employee wise details of options granted during the year to				
1	Senior Management Personnel	Nil	Nil	As per attached Annexure 1	
2	Employees to whom more than 5% options granted during the year	Nil	Nil	Nil	
3	Employees to whom options more than 1% of issued capital granted during the year	Nil	Nil	Nil	
(k)	Diluted EPS, pursuant to issue of shares on exercise of options				9.43
(l), 1	Method of calculation of employee compensation cost	Calculation is based on intrinsic value method		Calculation is based on intrinsic value method	
2	Intrinsic Value per share	Rs.6.30	Rs.3.78	Nil	
3	Difference between the above and employee compensation cost that shall have been recognized if it had used the fair value of the options	N. A.		Employee compensation cost would have been higher by Rs.3,44,397/- , without any change in the earning per share, as reported.	

Particulars		Alok ESOS 2010			
		Grant 1	Grant 2	Grant 3	Total
4	Impact of this difference on Profits and on EPS of the Company	N. A.		Profits would have been lower by Rs.3,44,397/-and EPS would have been lower by Rs.0.01, had the Company used fair value method of accounting the options issued under ESOS	
(m),1	Weighted average exercise price	Rs.18.90	Rs.21.42	Rs.10.00	
2	Weighted average fair value of options based on Black Scholes methodology	Rs.11.10	Rs.9.75	Rs.1.82	
(n)	Sigificant assumptions used to estimate fair value of options including weighted average				
1	Risk free interest rate	7.83%	7.83%	8.71%	
2	Expected life	Average life taken as 1 years from date of Vesting		Average life taken as 1 years from date of Vesting	
3	Expected volatility	39%	39%	42%	
4	Expected dividends	Not considered separately included, factored in volatility working		Not considered separately included, factored in volatility working	
5	Closing market price of share on a date prior to date of grant	Rs.25.20	Rs.25.20	Rs.8.16	

$ to be reworked based on the actual profit figure of 2012-13

Annexure 1 – Employee wise details of options granted during the period to Senior Manager Personnel:

Sr. No.	Name	Designation	No. of Options granted
1.	Mr. Sunil O Khandelwal	Executive Director & CFO	90250
2.	Mr. K H Gopal	Executive Director & Secretary	82550
3.	Mr. R. Rajaram	President - HR and Systems & Processes	44800
4.	Mr. Romi Agarwal	Chief Executive Officer - Garments	40350
5.	Mr. Sapan K. Mukherjee	Chief Executive Officer - Spinning	42100
6.	Mr. Alok Mehrotra	President-Finance	31550
7.	Mr. Maurya Arvind Kumar Bankelal	Chief Executive Officer - Knits Exports	20550
8.	Mr. Sanjay Bhatt	Chief Executive Officer-Embroidery	47450
9.	Mr. Madhusudan V. Nagori	President- Corporate Accounts	48350
10.	Mr. Tulsi N Karnani	Chief Executive Officer – Commercial & Weaving	65550
11.	Mr. Rakesh Goel	Senior Vice President - POY	29350
12.	Mr. Aashish Mehrishi	Senior Vice President-Texturising	35500
13.	Mr. Anil Nair	Senior Vice President-Marketing	33750
14.	Mr. Deepak Mehta	Senior Vice President-Costing	25350
15.	Mr. Kalpesh Shah	Senior Vice President-Legal & Secretarial	44800
16.	Mr. R.B.Mahapatra	Senior Vice President	46900
17.	Mr. Mesmer Michael	Senior Vice President- Marketing	50800
18.	Mr. Rambilas L. Bidada	Senior Vice President -(POL)	55250

ANNEXURE II

PARTICULARS OF INFORMATION REQUIRED 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 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE 18 MONTHS PERIOD ENDED 30TH SEPTEMBER, 2013.

(A) CONSERVATION OF ENERGY:

(a) Energy conservation measures taken:

The company on a continuous basis work on 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 period under review were as under:

1. Replacing illuminating devices with energy efficient ones and ensuring optimal utilization of lighting equipment.
2. Ensuring optimum suction pressure using OHTC dust collector system in ring frame, speed frame, link coner areas and TFO machines in spinning plants to bring about power saving.
3. Special measures taken to reduce the load on air-conditioning plant.
4. Applying appropriate voltage to lighting circuits.
5. Natural ventilation equipment installed on the shades to conserve energy.
6. Installed power factor control /capacitor banks to conserve energy.
7. Minimizing idle running of various type of equipment like air conditioners, submersible pumps, lights, generators, compressors and ceiling fans.
8. Reduction of diesel and gas consumption by stopping heat tracing of furnace oil lines from fuel plant to DG Set, availing GEB power and commissioning of coal boilers.
9. Heat recovery from CRP hot water to boiler feed.
10. Installation of EMS Energy Monitoring System for greater accuracy of energy consumption reports for utility departments and process machines.
11. Hot water recovering and re-utilization to the process machines like bleaching, dyeing and washing process cycles.
12. Conversion of utility boiler from Furnace Oil to PNG while ensuring a dual firing system.
13. Caustic handling system installed on process machines.
14. Encouraging employees to participate in energy conservation measures and increase efficiencies.
15. Modification of pipeline of chiller plant so as to maintain temperature.
16. Usage of voltage regulator in lighting circuits for reduction in lighting energy.
17. Conducting of periodic energy audits.
18. Power saving in compressed air system through better and more effective utilization.
19. Installation of a water cooled air conditioning plant instead of air cooled plant which consumes less energy than the air cooled plant even with higher capacity.
20. Increase in temperature of feed water for saving on coal consumption in boilers.
21. Saving on power consumption in chilled water pumps by trimming of impellers.
22. Rain water harvesting for bore wells.
23. Awareness program carried out amongst staff and workers regarding energy conservation.
24. Closed circuit installed to avoid water wastage in air washer of air conditioning plant.
25. Timer circuit installed on high mast light tower.
26. Measures taken to save domestic water consumption (for gardening) by using waste water generated by cooling coil moisture.

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

1. Special humidity sensors being installed in air conditioning system to control the air

washer units, so as to automatically stop the air washer pump during rainy season in the required humidity level to save energy.

2. Fresh air dampers being installed in air conditioning system, so that during favorable ambient condition in the night time, the plant operates more on fresh air resulting in saving of energy required to run the chillers.
3. Sun control films and sun blinds being fixed on the window glasses to reduce the load on air-conditioning system.
4. Installation of 28W tube with special reflectors in place of 40W tube with same illumination.
5. Pulley modification done on air-conditioning plant's blower motors to reduce the power consumption of blower motors.
6. Water level sensors being fixed on all the water tanks to control the excess running of submersible pumps and wastage of water.
7. Bore wells being connected to one central tank and special arrangement being erected for water supply with centralized controls attached with level sensors.
8. Factory lighting being installed with separate switches so as to facilitate switching off of the lights in day time.
9. More than 1400 trees planted in the factory premises and more proposed to be planted.
10. "Maximum Demand Controller" being installed.
11. Replacement of fixed speed compressors with variable speed compressors.
12. Wind turbines being installed on all shades for natural exhaust to minimize ceiling fans and exhaust fans.
13. LED lights proposed in place of florescent ones which are more energy efficient with minimum maintenance and long life.
14. Additional wet scrubber unit installation for coal fired boiler for upgrading capacity utilization.
15. Automation of Stenter machines to save on power.
16. Usage of coal gassifiers to enhance boiler utility and reduce utility cost.

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

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

FORM “A”

Form for disclosure of particulars with respect to conservation of energy

A)	Power & Fuel Consumption for the period ended 30.09.2013		2012-13	2011-12
1)	**Electricity Purchased**			
	Units:		**1,18,76,31,931**	58,40,25,541
	Total amount (₹ in crores)		**506.54**	242.63
	Average Rate/Unit (₹)		**4.27**	4.15
2)	**Own Generation through Diesel Generator Set**			
	Units:		**13,63,28,074**	15,93,21,136
	Total amount (₹ in crores)		**102.89**	121.94
	Average Rate/Unit (₹)		**7.55**	7.65
3)	**Own Generation through Co-generation**			
	Units		**1,88,47,763**	2,23,73,265
	Total amount (₹ in crores)		**7.55**	11.67
	Average Rate/Unit (₹)		**4.01**	5.22
4)	**Own Generation through Gas Turbine**			
	Units		**4,72,28,007**	4,77,17,320
	Total amount (₹ in crores)		**34.28**	24.7
	Average Rate/Unit (₹)		**7.26**	5.18
5)	a)	Furnace Oil consumed		
		Total amount (₹ in crores)	**10.44**	71.56
	b)	Natural Gas consumed		
		Total amount (₹ in crores)	**428.95**	164.78
	c)	Coal consumed		
		Total amount (₹ in crores)	**30.50**	11.36
	d)	Diesel Consumed		
		Total amount (₹ in crores)	**5.02**	3.46
	e)	Electricity Duty Paid	**4.05**	3.94
B)	**Consumption per unit of production**		**2012-13**	**2011-12**
	a)	Yarn (Kgs)	**23,26,66,224.89**	12,39,79,229.64
		Units Consumed (per kgs)	**1.11**	1.06
	b)	Fabric Knits (Kgs)	**1,47,81,373.34**	90,52,553.80
		Units Consumed (per kgs)	**0.51**	0.55
	c)	Fabric Woven (Mtrs)	**88,14,44,876.23**	40,46,89,259.77
		Units Consumed (per mtrs)	**0.30**	0.39
	d)	Processing Woven (Mtrs)	**19,50,73,171.77**	15,83,80,059.42
		Units Consumed (per mtrs)	**0.27**	0.19
	e)	Processing Knits (Kgs)	**1,14,60,375.20**	79,33,685.65
		Units Consumed (per kgs)	**1.94**	0.86
	f)	Garments (Pcs)	**1,15,22,266.00**	71,28,997.00
		Units Consumed (per pcs)	**0.31**	0.34
	g)	Madeups (Kgs)	**2,03,80,744.00**	80,35,949.19
		Units Consumed (per Kgs)	**0.19**	0.26
	h)	Poy (Kgs)	**32,70,69,412.82**	19,81,39,403.23
		Units Consumed (per Kgs)	**0.39**	0.38
	i)	Spinning (Kgs)	**9,61,48,535.09**	6,21,13,087.69
		Units Consumed (per Kgs)	**4.11**	4.02

B)	Consumption per unit of production	2012-13	2011-12
	j) Handkerchief (Pcs)	**1,39,85,868.00**	9,047,348.00
	Units Consumed (per pcs)	**0.05**	0.05
	k) Chips (Kgs)	**47,94,70,194.89**	327,017,204.70
	Units Consumed (per kgs)	**0.14**	0.12
	l) FDY (Kgs)	**6,91,55,025.27**	43,633,821.96
	Units Consumed (per kgs)	**1.11**	0.99
	m) Packing Material (kgs)	**8,44,51,196.12**	26,079,914.80
	Units Consumed (per kgs)	**0.05**	0.08
	n) Embroidery Fabric (mtrs)	**2,39,87,596.50**	15,574,546.13
	Units Consumed (per mtrs)	**0.75**	0.85
	o) Polyester Staple Fiber (Kgs)	**4,09,44,111.46**	2,235,755.11
	Units Consumed (per kgs)	**0.50**	1.14
	p) Yarn Dyed (kgs)	**77,12,280.55**	5,205,352.30
	Units Consumed (per kgs)	**1.76**	1.78
	q) Terry Towel (Kgs)	**4,53,81,335.32**	13,852,776.70
	Units Consumed (per kgs)	**1.17**	1.01

(B) TECHNOLOGY ABSORPTION

Research and Development (R & D)

The Company has well established R & D facilities for carrying out research in areas of technical textiles and polyester yarn. Research work is currently focused on the following:

Sr. No	Project	Department	Status	Stage	Time Required to complete
1	Nuclear Biological & Chemical Warfare Suit	Apparel Fabrics - Woven	Sourcing of materials	At a very initial stage: Treatment of innermost layer of NBC & its testing in process.	Three Months
2	Phase Change Material-Energy Conservation	Home Textiles and Apparel Fabrics	Samples treated with PCM	Final stage: Testing & durability enhancement	Scheduled to complete by Feb. 2014
3	Insect Repellent Phase 1	Polyester/Apparel Fabrics/ Home Textiles	Trial fabric treated with the active chemistry	Second last stage: Testing of the treated fabric	March 2014.

Expenditure Incurred on R & D for the 18 months period ended September 30, 2013

(₹ In Crores)

Plant Location	Capital	Recurring	Total
Silvassa	2.25	7.94	10.19
Vapi	0.76	5.10	5.86
Head Office	0.66	0.71	1.37
Total	**3.67**	**13.75**	**17.42**
Total R & D Expenditure as a percentage of total turnover			**0.10%**

(₹ In Crores)

C)	Foreign Exchange Earnings and Outgo	2012-13	2011-12
	i) **Total Earnings of Foreign Exchange**		
	FOB Value of Exports	**4667.74**	2,767.98
	Interest received on Fixed Deposits	**-**	0.18
	Total	**4667.74**	2,768.16
	ii) **Total Outgo in Foreign Exchange**		
	Commission to sales	**23.15**	15.01
	Interest on Fixed Loan	**86.01**	48.28
	Legal and Professional Fees	**4.32**	17.03
	Miscellaneous Expenses	**11.60**	15.94
	Sales Promotion Expenses	**2.74**	3.49
	Bank Charges	**8.77**	4.31
	Exchange Loss	**-**	68.98
	Marketing Services Charges	**113.34**	12.98
	Total	**249.93**	186.02

Management Discussion and Analysis

Management Discussion And Analysis

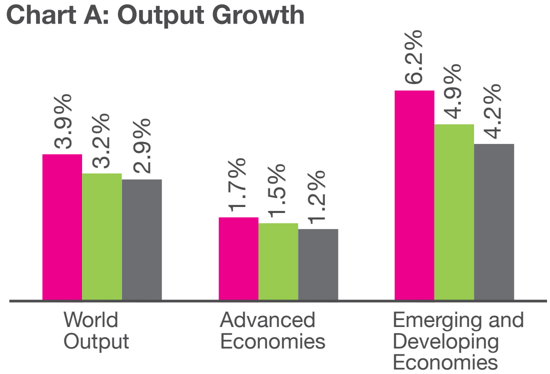
Economic Overview

World

In 2012-13, global growth remained in low gear. The drivers of economic activity are changing and downside risks persist. China and a growing number of emerging market economies are coming off cyclical peaks. Their growth rates are projected to remain much above those of the advanced economies but below the elevated levels seen in recent years, for both cyclical and structural reasons.

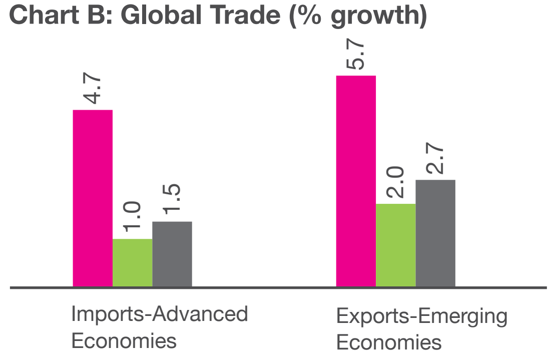
Growth in global output reduced from 3.9% in Calendar Year (CY) 2011 to 3.2% in CY 2012 and is projected to reduce to 2.9% in CY 2013. Advanced Economies (AEs) saw output growth reducing steadily from 1.7% in CY 2011 to 1.5% in CY 2012 and is projected to reduce to 1.2% in CY 2013. Growth in emerging markets, especially China and India, has slowed down considerably from 6.2% in CY 2011 to 4.9% in CY 2012 and is projected to be 4.2% in CY 2013 as shown in Chart A.

Chart A: Output Growth



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

Chart B: Global Trade (% growth)



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

The United States has seen several quarters of solid private demand. Although public sector demand has been pushing in the opposite direction, this counterforce will diminish in 2014, setting the stage for higher growth. Japan's economy is enjoying a vigorous rebound but is expected to taper in 2014 as fiscal policy tightens. The euro area is crawling out of recession, but activity is forecast to stay tepid. In these three advanced economies, much slack remains and inflation pressure is expected to stay subdued.

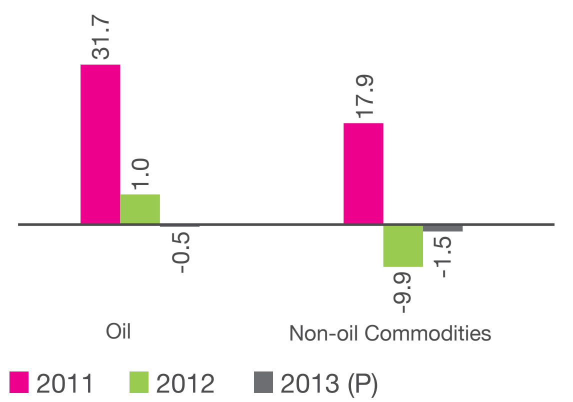
These changing growth dynamics raise new policy challenges, and policy spill-overs may pose greater concern. Two recent developments will likely shape the path of the global economy in the near term. First, markets are increasingly convinced that U.S. monetary policy is reaching a turning point. Talk by the Federal Reserve about tapering its quantitative easing measures led to an unexpectedly large increase in long-term yields in the United States and many other economies, much of which has not been reversed despite a subsequent decision by the Federal Reserve to maintain the amount of asset purchases and policy actions in other countries. Second, there is strengthening conviction that China will grow more slowly over the medium term than in the recent past.

What these developments have done is increased import growth of advanced countries. Correspondingly, the exports of emerging economies that supported these imports have reduced significantly as well. Consequently, there is greater stress on domestic markets and severe competition in global markets as shown in Chart B.

The demand slowdown has reduced non-oil commodity prices. Chart C shows that non-oil commodity inflation is actually been negative – from 26.3% in CY 2011 to -9.9% in CY 2012. And, geo-political instability and speculative activities have contributed to oil prices continuing to remain at the existing high levels with just around 1% increase in CY 2012. In this milieu, consumer price inflation continued to remain at past levels. In the advanced economies, consumer prices inflation was 2.0% in CY 2012 against 2.7% in CY 2011 and in emerging and developing economies consumer price inflation reduced somewhat but still at high absolute levels of 6.1% in CY 2012 against 7.1% in CY 2011 as shown in Chart C.

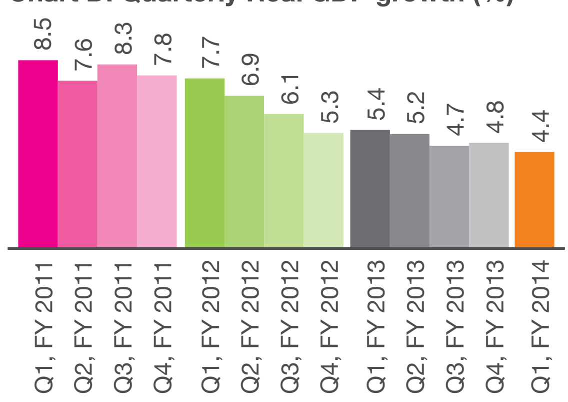
This environment of low economic activity with high price levels continued to be a significant dampener for consumer confidence across the world.

Chart C: Prices (% growth)



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

Chart D: Quarterly Real GDP growth (%)



Source: Central Statistical Organisation, Government of India

India

The domestic economy continued to witness slowdown in 2013 with GDP growth hitting a low of 5% - the lowest in the last decade. All three sectors of the economy – agriculture, industry and services – slowed down.

The slowdown facing the Indian economy extended into 2013-14 with growth in Q1 falling to a 17- quarter low. The growth slowdown was broad-based reflecting moderation in the services and agriculture sectors, and contraction in the industrial sector as shown in Chart D. Modest improvement in growth is likely in H2 of 2013-14 on the back of a good monsoon and some improvements in industrial growth. A fuller recovery is likely to start taking shape towards the end of the fiscal year when current steps to clear the logjams constraining economic activity seep through the various inter-sectorial linkages in the economy.

During Q1 and Q2, 2013-14, driven by very adverse current account deficits, India witnessed a major fall in its currency with respect to international currencies. Chart E shows the rapid devaluation of rupee against the US dollar from May 2013.

RBI has pointed towards rising inflation pressures from a depreciating currency. Notably, CPI inflation is already at 9.6% in July 2013. With a 17% depreciation of the rupee since 22 May 2013, one expects WPI inflation to average at least 6.0% in remaining part of the fiscal year.

Since mid-July 2013, exceptional measures were put in place by the Reserve Bank to maintain liquidity conditions such that volatility in the forex market is contained. The policy rate was effectively recalibrated to the MSF rate, leading to the hardening of money market rates. However, to facilitate adequate credit to productive sectors, significant primary liquidity injection was provided via LAF, MSF, OMOs and standing facilities.

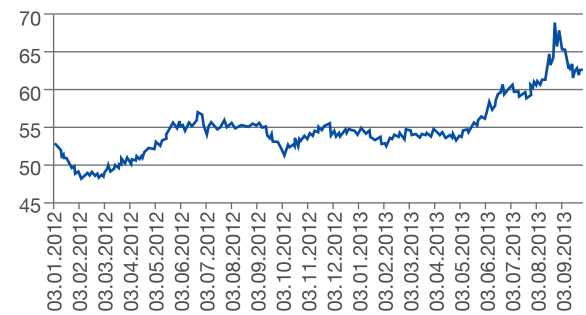
A modest improvement in growth is anticipated in H2 of 2013-14. Both WPI and CPI inflation may stay range-bound around the current levels that remain above comfort levels. Various surveys, including those by the Reserve Bank show that business confidence remains weak, while inflation expectations have risen again. In this environment, monetary and fiscal policies will have to be crafted so as to allow structural policy measures and ground-level actions to shape a sustainable recovery by next year.

Textiles, Clothing and Fibre Industry

Global Scenario

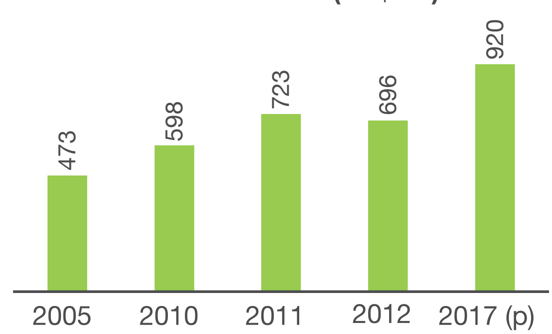
The global Textile and Apparel (T&A) trade scenario remained a little subdued in 2012 as overall textile and apparel trade declined in 2012 by -4%, due to downturn in EU and US. However, there was a recovery in early 2013 driven by increasing demand in US and this recovery is expected to be sustained in the near future. Despite the decline in 2012, the overall trade has grown at a CAGR of 6% since 2005 and is expected to sustain this growth rate in the next 5 years and reach US$ 920 bn by 2017 as shown in Chart F.

Chart E: Rupee versus Dollar



Source: RBI

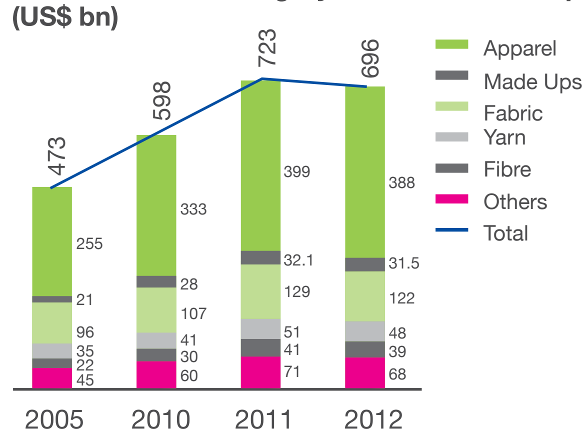
Chart F: Global T&A Trade (US$ bn)



Source: UN Comtrade, WTO, Wisedge Analysis

Category wise Trade Scenario: In terms of categories, fibre exports have grown fastest since 2005 at 8% CAGR, followed by apparel (6% CAGR) and made ups (6% CAGR). All categories showed trade decline in 2012 compared to 2011, with fibre and yarn trade declining more than other categories at 7% and 6% respectively. Chart G gives the data.

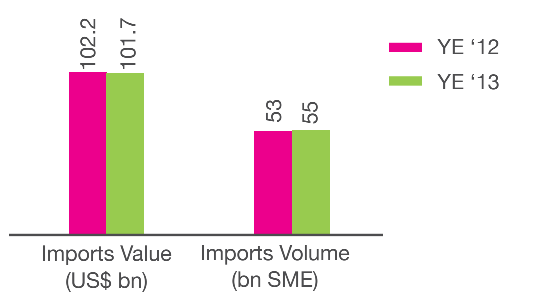
Chart G: Global Categorywise Trade Breakup (US$ bn)



Source: UN Comtrade

US Imports: The US is a major import market for global textiles comprising around 15% of global imports. Despite fluctuating import trend, US imports have grown over the last 4 years at a CAGR of 2%. There was a slight decline in US imports in 2012; however, with improving economy and consumption, US imports are expected to grow in future. The initial indicator of an improving trade scenario was witnessed from US' Year End (YE) March 2013 data which suggests increase in import volume by 2% over YE March 2012, even though import value declined slightly by 0.5% due to decrease in prices as shown in Chart H.

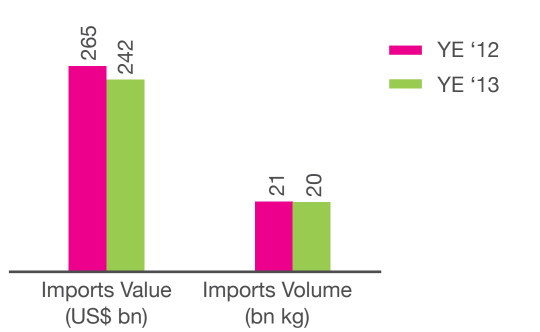
Chart H: US T&A Imports - YE March '13 vs YE March '12 (US $bn)



Source: OTEXA

EU Imports: EU is also a major import market constituting 35% of global T&A trade. EU imports have declined in the last two years and are major reason for the decline in global trade. Import value declined by 9% even though the import volume declined 2% in year ending March 2013 compared to March 2012 year ending as shown in Chart I.

Chart I: EU T&A Imports - YE March '13 vs YE March '12 (US $bn)

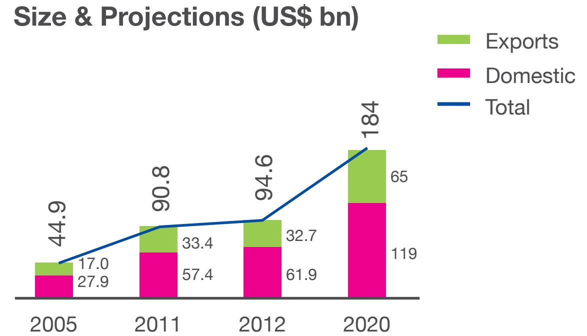


Source: Eurostat, (data for EU 28)

Indian Textile and Apparel Market Overview

The global slowdown had much less impact on the Indian domestic market for textile and apparel, even though the export market was negatively impacted. India's total textile and apparel industry grew at a rate of 4% to reach ~US$ 95 bn (~₹ 5,01,215 crores) in 2012. The lower growth was primarily due to decline in exports in 2012 by 2% compared to 2011. However, the domestic textile and apparel market sustained growth momentum and managed to grow by 7.8% in 2012. The overall textile and apparel market is expected to grow at a higher Compounded Annual Growth Rate (CAGR) of 8.7% from 2012 to 2020 due to the recovery of export market and the continued growth of domestic market as shown in Chart J.

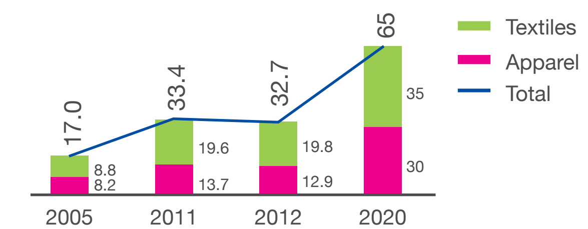
Chart J: Indian Textile and Apparel Industry Size & Projections (US$ bn)



Source: Ministry of Textiles, UN Comtrade & Wisedge Analysis

India T&A Export Market: India's textile & apparel exports declined slightly in 2012 primarily due to the global demand slowdown in US and EU. However, exports recovered in the early part of 2013 with demand picking up in US and is further expected to increase in future with an increasingly favourable export environment driven by Indian currency depreciation and increasing preference of Indian textile and apparel among the global buyers. The global buying community is looking for alternatives to China (due to their rising costs) and Bangladesh (due to issues of social compliance) and India is perfectly placed to take advantage of this export opportunity. In addition to this, exports are expected to increase in new markets like Japan due to the India-Japan Free Trade Agreement incorporated in the last few years. Further talks on Free Trade Agreements with EU are in progress and a successful agreement would benefit Indian textile and apparel exports significantly. Hence, going forward the export market looks very promising for India and India's textile and apparel exports are expected to grow at 9% CAGR and reach around US$65 bn by 2020 as shown in Chart K.

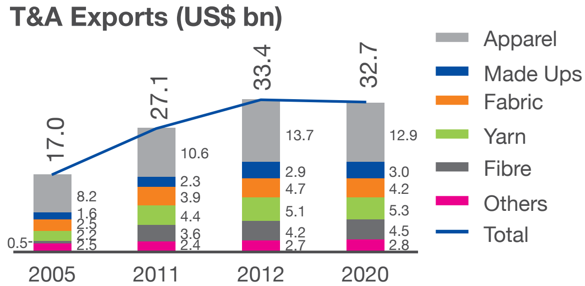
Chart K: T&A Exports of India (US$ bn)



Source: UN Comtrade & Wisedge Analysis

Category wise Exports: India's fibre exports have grown significantly since 2005 with a CAGR of 37%. Yarn exports have also grown significantly by 13% CAGR since 2005. This has been primarily driven by high demand for cotton fibre and yarn in global markets in recent past. Despite a decline in overall exports in 2012 over 2011, exports of fibre and yarn showed positive growth of 6% and 4% respectively. Made ups exports also grew positively in 2012 at 3% compared to 2011. Decline was seen in fabric (11% decline) and apparel exports (6% decline) in 2012 as shown in Chart L. However, overall since 2005 all categories have grown significantly and are expected to continue the growth momentum in the immediate future along with the revival of India's export scenario.

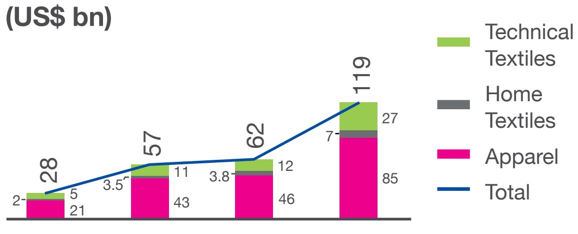
Chart L: Categorywise break up of India's T&A Exports (US$ bn)



Source: UN Comtrade

Indian T&A Domestic market scenario: The domestic textile and apparel continues to grow, backed up by robust economic fundamentals.

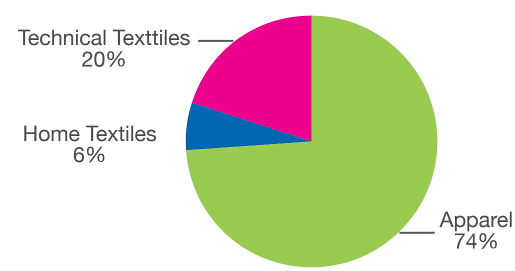
Chart M : Indian T&A Domestic Market Size (US$ bn)



Source: Ministry of Textiles, Secondary research & Wisedge Research and Analysis

The growing population, rising household incomes and increasing consumption potential of Indian consumers have ensured sustained growth for the domestic market. The domestic textile and apparel market grew by 7.8% in 2012 and is estimated to be US$62 bn (₹ 3,28,000 crores). The domestic textile and apparel market is expected to grow at 8.5% CAGR in the next 8 years and reach US$ 119 bn (₹ 6,28,900 crores) by 2020. In terms of growth technical textiles is the fastest growing segment expected to grow at a CAGR of more than 10% in next 8 years. Apparel constitutes majority share of the market with 74% share and is expected to grow at a CAGR of 8% till 2020.The home textiles market is also expected to grow significantly and is expected to increase from the current US$ 3.8 bn to around US$ 7 bn by 2020. Chart N shows the percentage share each segment.

Chart N: Indian Domestic T&A Market Split



Source: Ministry of Textiles, Secondary research & Wisedge Research and Analysis

Government Policy Support

Indian government has also continued its support for the textile industry by strengthening investment promoting schemes like TUFS (Technological Up gradation Fund Scheme) and SITP (Scheme for Integrated Textile Parks). The TUFS has been a successful scheme and since inception has driven investments worth ₹ 2,43,721 crores in the textile industry as on 30th October, 2012. The scheme in the Restructured –TUFS (April 2011 to March 2012) was extended to first year of 12th five year plan up to 31st March 2013 and is further revised and continued for next five years under Revised Restructured TUFS (RR TUFS). The scheme is expected to further generate investments of approximately ₹ 1,50,000 crores during 12th five year plan. Apart from the above schemes, the Ministry of Textile has continued to provide support for several other schemes like Technology Mission on Technical Textiles, Integrated skill development scheme for textile and apparel sector, Development of Mega Clusters schemes for handlooms and power looms etc.

Several state governments have also extended their support to the textile industry by introducing textile specific industrial policies in 2012. Some prominent state level textile policies include the following:

Maharashtra Textile Policy 2012-17: Key features include Incentives like 10% capital subsidy for all units and equity support for spinning mills for new projects in Marathwada, Northern Maharashtra and Vidarbha regions of Maharashtra.

Gujarat Textile Policy 2012: key features include:

- o Interest subsidy of 5% for technology up gradation for ginning, spinning weaving processing and readymade garments and 7% subsidy for purchase of plant and machinery
- o For technical textiles, Interest subsidy of 6% on plant and machinery
- o Exemption on VAT on produce
- o Relief of ₹ 1 per unit on power tariff for spinning and weaving for five years, assured lignite for captive power plant
- o Assistance of 50% or up to ₹ 50,000 for Audit of energy, Environment, Water conservation. Relief of 20% or ₹ 20 lakh on plant machinery for audit
- o Industrial parks on PPP mode in cotton growing areas. Relief of ₹ 30 Cr or 50% of total cost for creation of common infrastructure in Composite parks
- o Garment Apparel Park exempted from stamp duty, assistance of 50% or ₹ 10 Cr for common infra in parks

  Apart from the above, textile policies of Tamil Nadu, Punjab, West Bengal and Andhra Pradesh also have strong industrial policies specific to textile industry promotion. This kind of support will help in further investments in this sector and augurs well for future of this industry.

Key Opportunities for Indian Textile & Apparel Industry

The following are the key opportunities for the Indian textile and apparel industry going forward:

Growing Export Market oportunity

- o With increasing costs in China and growing compliance issues in Bangladesh, the global buying community has increased its focus on sourcing from India. This augurs well for the Indian textile and apparel exports and presents good opportunity for future.
- o Markets like Brazil, Russia, Turkey, Poland, Chile, China, Australia etc. have increased their imports in the recent past and become attractive markets for India's textile and apparel exports.

Market Growth potential due to Free Trade Agreements

- o India's free trade agreement with Japan offers very good opportunity to tap the large Japanese market for apparel in the coming years.
- o Further proposed trade agreement with EU, if fructified, will give India competitive advantage in exports to EU and boost India's exports.

Growing Domestic Market

- o The domestic market continues to offer huge opportunity to the Indian textile and apparel industry. With growing urbanization and increasing size of the organized market the scope for good quality apparel has increased. Several foreign brands/ retailers have entered India in the last decade or so and many more are expected to enter in future given the relaxation of FDI policies for single brand retail. This will further boost demand for Indian textiles amongst the brands entering India.
- o The domestic market is also very promising for home textile categories like Bed linen, bath linen, furnishing etc. since with increasing urbanization and modernization of Indian households and corporates, the demand for good quality home furnishing has also increased and further demand for home furnishing will continue to grow.

Risks and Threats

The key risks and threats for Indian T&A exports are the following:

- Fluctuation in currency exchange rate: currently the Indian currency depreciation against the US dollar has served as a significant boost for exports, however in future there is a risk of Indian currency appreciating and impacting exports
- Increasing competition from countries like Vietnam, Sri Lanka which have increased their exports to US in 2012 by 6% each when other countries showed decline.
- Increasing costs: the increasing costs of raw material, labour and manufacturing in India may also have an impact on India's exports in future.
- Trade Agreements like Trans Pacific Partnership, CAFTA, GSP, etc. favouring other countries to export to US or EU without trade barriers are also a threat to India's exports.

Business Performance

Alok Industries ('Alok' or 'the Company') core business is textiles with offerings across the entire value chain of cotton and polyester. The strength of the Company's business is its integrated vertically textiles operations and ability to produce value added products. The principal manufacturing facilities are based in India (Silvassa, Vapi, Navi Mumbai and Bhiwandi). Utilising this cost competitive integrated production base, the Company caters to markets in India and across the world. The stand- alone financial result, which is the major part of the Company's consolidated results, reflects the performance of the Company's textiles operations from India.

The Company has also invested into some other businesses in India and overseas. This includes textile operations in a Czech Republic based integrated textiles player called Mileta and in retail business in India and in the United Kingdom (UK). In India, it's retail operations are carried on through Cash & Carry model under the store brand 'H&A" through its subsidiaries, while it operates the 'Store Twenty One' outlets through its subsidiary Grabal Alok (UK) Limited.

As an opportunistic financial investment, the Company has also entered the real estate business through its real estate subsidiary Alok Infrastructure Limited.

The Company has identified the retail as well as real estate as its non-core business and has initiated steps to exit these businesses. The Company is now completely focussed on utilising its vertically integrated textile capabilities across the cotton and polyester value chain to service opportunities in India and abroad.

Extension of Financial Year: Merger at Subsidiary Level

In line with the decision to exit non-core businesses, the Company filed a merger scheme with the Honourable Bombay High Court for consolidating all domestic subsidiaries into one wholly owned subsidiary namely Alok Infrastructure Ltd for real estate and retail ventures. Accordingly, the Board of Directors approved of extending the accounting year of the Company to 30 September 2013 and the Company has obtained approval of the Registrar of Companies, Gujarat for such extension.

Pursuant to a scheme of amalgamation sanctioned by the Bombay High Court vide its order dated 11 October 2013, some of the wholly Owned Subsidiaries / fellow Subsidiaries viz. Alok Relators Private Limited, Alok Land Holdings Private Limited, Alok H&A Limited, Alok Retail (India) Limited and Alok Apparels Private Limited (transferor Companies) of Alok Infrastructure Ltd, wholly owned subsidiary of Alok Industries Ltd were merged with Alok Infrastructure Ltd with appointed date of 1 April 2012. The scheme has been effective from 15th November 2013.

Consequently, the results for 2012-13 (18 months period ended September 30, 2013) are strictly not comparable to the 12 months previous year ended 2011-12.

Rights Issue

Company came out with Rights Issue of ₹ 550.85 crores on March 30, 2013 comprising of 55,08,46,238 Equity Shares of ₹ 10.00 each for cash at par to the existing shareholders of the Company on rights basis in the ratio of 2 rights equity shares for every 3 equity shares held on the Record Date i.e. February 19, 2013. The issue was closed on 27 April 2013 and shares were issued and allotted on May 8, 2013. The object of the issue was to meet the incremental working capital requirement of the company, general corporate purpose and issue expenses. The proceeds of the said Rights Issue were utilised for the said purposes.

Consequent to the above Rights Issue, the Company's equity share capital increased to ₹ 1377.12 crores divided into 137,71,15,595 fully paid equity shares of ₹ 10/- each.

Financial Performance (Stand Alone)

Given that 2012-13 is an 18 month financial year and 2011-12 was a 12 month financial period, the growth rates cannot be established between the two years. However, one can analyse the different ratios. Table 1 gives the summarised profit and loss statement of the Company in 2011-12 compared to the previous year.

Table 1: Summarised Profit and Loss Account

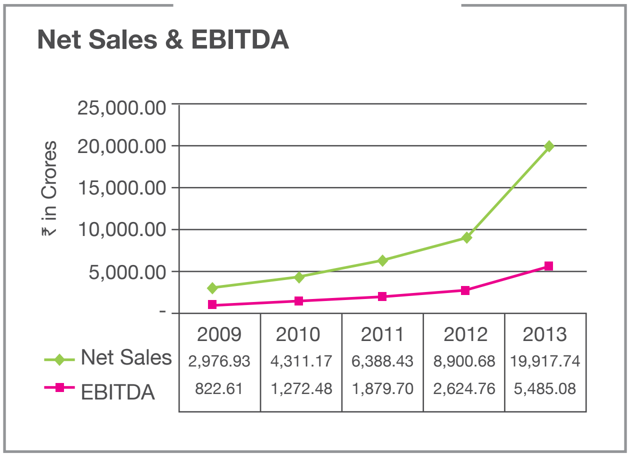
(₹ Crores)

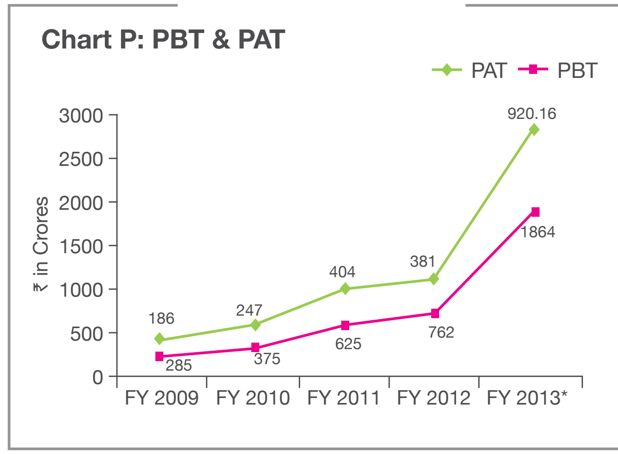
Profit & Loss Account	18 M/Ended 30-Sep-2013		12 M/Ended 31-Mar-2012		% Change
		% to Sales		% to Sales	
Domestic Sales	14,808.84		5,871.31		152.22%
Export Sales	5,108.91		3,029.55		68.64%
Net Sales	19,917.75		8,900.86		123.77%
Other Income	60.16		65.60		(8.29%)
TOTAL INCOME	19,977.91		8,966.46		122.81%
Material Costs	11,399.72	57.23%	4,393.13	49.36%	159.49%
People Costs	434.68	2.18%	267.28	3.00%	62.63%
Other Expenses	2,658.44	13.35%	1,681.30	18.89%	58.12%
OPERATING EBIDTA	5,485.07	27.54%	2,624.74	29.49%	108.98%
Depreciation	1,360.77	6.83%	713.43	8.02%	90.74%
OPERATING EBIT	4,124.30	20.71%	1,911.31	21.47%	115.78%
Interest & Finance Costs	2,260.66	11.35%	1,149.55	12.92%	96.66%
OPERATING PBT	1,863.64	9.36%	761.77	8.56%	144.65%
Exceptional Items	(463.74)	2.33%	(121.27)	(1.36%)	282.40%
PROFIT BEFORE TAX	1,399.90	7.03%	640.50	7.20%	118.57%
Less: Provision for Taxes	479.74	2.41%	259.97	2.92%	84.54%
PAT	920.16	4.62%	380.53	4.28%	141.82%

Profit and Loss Analysis

- **Net Sales** was ₹ 19,917.75 crores for 18 months period ended September 30, 2013 against ₹ 8,900.85 crores in 2011-12. Exports of ₹ 5,108.91 crores, 25.65% of total sales continued to be an important component of total sales of the Company.
- **Other Income** was ₹ 60.16 crores for 18 months period ended September 30, 2013 against ₹ 65.60 crores in 2011-12. Much of the other income booked is interest income on current investments, dividend income on long term investments and other non-operating income.
- **Material Cost** was ₹ 11,399.72 crores for 18 months period ended September 30, 2013. It was ₹ 4,393.13 crores in 2011-12. As a percentage of sales, material cost increased from 49.36% in 2011-12 to 57.23% for 18 months period ended September 30, 2013.
- **People Costs** was ₹ 434.68 crores for 18 months period ended September 30, 2013. In 2011-12, it was ₹ 267.28 crores. People cost to net sales ratio decreased from 3.0% in 2011-12 to 2.18% for 18 months period ended September 30, 2013.
- **Other Expenses** increased was ₹ 2,658.44 crores for 18 months period ended September 30, 2013, while it was ₹ 1,681.30 crores in 2011-12. As a percentage of net sales, it decreased from 18.89% in 2011-12 to 13.35% for 18 months period ended September 30, 2013.
- **Operating Earnings Before Interest, Depreciation, Tax and Amortisation (EBIDTA)** increased to ₹ 5,485.07 crores for 18 months period ended September 30, 2013 against ₹ 2624.74 crores in 2011-12. In an inflationary environment with intense competition, operating EBIDTA margins decreased from 29.49% in 2011-12 to 27.54% for 18 months period ended September 30, 2013.
- **Depreciation** is ₹ 1,360.77 crores for 18 months period ended September 30, 2013 compared to ₹ 713.43 crores in 2011-12. As a percentage of sales it has reduced from 8.02% in 2011-12 to 6.83% for 18 months period ended September 30, 2013.
- **Interest** expense increased from ₹ 1,149.55 crores in 2011-12 to ₹ 2,260.66 crores for 18 months period ended September 30, 2013. As a percentage to sales, interest and financing expenses decreased from 12.92% of sales for 2011-12 to 11.35% of sales for 18 months period ended September 30, 2013.
- **Profit Before Tax** is ₹ 1.399.90 crores for 18 months period ended September 30, 2013 against ₹ 640.50 crores in 2011-12. In terms of margin, it has decreased from 7.20% in 2011-2 to 7.03% for 18 months period ended September 30, 2013.
- **Exceptional Loss** of ₹ 463.74 crores comprise mainly of marked to market unrealised gains or losses from derivatives / foreign exchange transactions (₹ 317.39 crores) and provision for diminishing in the value of investments in / loans to subsidiaries (₹ 146.35 crores). The exceptional loss for the previous year 2011-12 was ₹ 121.27 crores towards derivatives / foreign exchange transactions.
- **Profit After Tax (PAT)** was ₹ 920.16 crores for 18 months period ended September 30, 2013 against ₹ 380.52 crores in 2011-12. In terms of margin, it improved to 4.62% for 18 months period ended September 30, 2013 from 4.28% in 2011-12.

Chart O and P plots the data for EBITDA, PBT and PAT.





Key Ratios

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

Table 2: Key Ratios (Alok Industries – Stand Alone)

(₹ Crores)

Particulars	30-Sep-2013 (18 Months) (Audited)	31-Mar-2012 (12 Months) (Audited)
Profitability Ratios		
Operating EBITDA (%)	**27.54%**	29.49%
Operating Profit Before Tax Margin (%)	**9.36%**	8.56%
Profit After Tax Margin (%)	**4.62%**	4.28%
Return on Net worth (%)	**12.06%**	10.41%
Return on Capital Employed (%)	**13.53%**	12.63%
Balance Sheet Ratios		
Net Total Debt – Equity	**2.99**	3.14
Net Total Debt / EBITDA	**4.16**	4.37
Current Ratio	**1.50**	1.24
Coverage Ratios		
PBDIT/Interest	**2.43**	2.28
Debtors Turnover – Days	**138**	88
Inventory Turnover – Days	**158**	139

Note: All parameters qualified by the term 'operating' refers to figures without exceptional items

- **Operating EBIDTA Margin** has reduced from 29.49% in 2011-12 to 27.54% for 18 months period ended September 30, 2013. While material costs increased during the period, Alok focused on improving the conversion cost to maintain operating margins.
- **Operating PBT Margin** was 9.36% for 18 months period ended September 30, 2013, up from 8.56% in 2011-12.
- **Return on Net worth (RONW)** increased from 10.41% in 2011-12 to 12.06% in for 18 months period ended September 30, 2013.
- **Operating Return on Capital Employed (ROCE)** was 13.53% for 18 months period ended September 30, 2013, up from 12.63% generated in 2011-12.
- **Net Total Debt to Equity ratio** improved from 3.14 in 2011-12 to 2.99 as at September 30, 2013.
- **Operating EBIDTA/Interest** indicates the Company's ability to service its interest costs through profits. EBIDTA/Interest improved from 2.28 in 2011-12 to 2.43 for 18 months period ended September 30, 2013.
- **Current ratio** was 1.50 as at September 30, 2013 in 2012-13 compared to 1.24 in 2010-11.
- **Inventory turnover** increased from 139 days in 2011-12 to 158 days in 2012-13. Debtor turnover increased from 88 days in 2011-12 to 138 days in 2011-12.

Cash Flows

Table 3 gives the abridged cash flow statement of the Company

Particulars	18M 30-Sep-2013	12M 31-Mar-2012
Net Cash Generated From Operating Activities	**(351.85)**	(115.39)
Net Cash Used In Investing Activities	**(725.18)**	(1,114.10)
Net Cash Generated From Financing Activities	**1264.46**	1,515.91
Net Cash Surplus (Deficit)	**187.43**	286.42
Cash and Cash Equivalents		
At the beginning of the Period	**541.71**	108.29
Cash Pursuant To Amalgamation	**-**	147.00
At the end of the Period	**729.14**	541.71
Net increase in Cash and Cash Equivalents	**187.43**	286.42
Reconciliation with Cash & Bank Balances		
At the end of the Period as per Balance sheet	**882.65**	1,294.84
Less : Earmarked Balances / Deposits with Bank	**153.51**	716.17
Less : deposits with maturity period of more than three months	**-**	36.96
Cash & Cash equivalents	**729.14**	1,294.84

The net cash flow from operating activities was negative by ₹ 351.85 crores mainly on account of increase in debtors and inventory. The Company is taking all measures to reduce its debtor and inventory cycle, which would lead to improvement in cash flow from operating activities.

The cash flow from investing activities was negative by ₹ 725.18 crores on account of increase in fixed assets. Major capital expenditure plan of the company is now over and the company's board has taken a decision to reduce its capital expenditure to maximum of ₹ 600 crores per annum for atleast the next five years.

The net cash flow financing activities was positive by ₹ 1,264.46 crores mainly on account of increase in equity of the Company by ₹ 551.85 crores and increase in borrowings of the Company.

Ratings

Credit Analysis and Research Ltd (CARE) has assigned the following rating for the facilities of the company, under BASEL II

- **"CARE BBB" rating for the long term facilities.**
  - Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk
- **"CARE A3" rating for the Short Term facilities.**
  - This rating is applicable to facilities having tenure up to one year. Instruments with this rating are considered to have moderate degree of safety regarding timely payment of financial obligations

Textiles Business: Operations Review

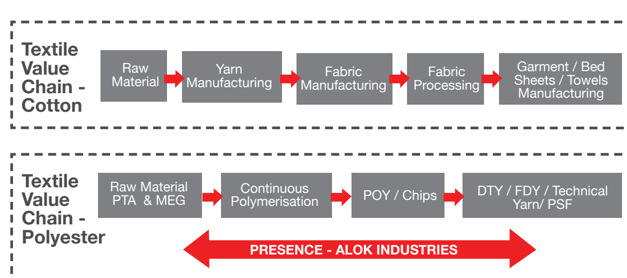
Overview

With a principal focus on deleveraging the balance sheet, the Company has emphasised on greater return on capital and better cash utilisation of its core textiles business.

The Company has integrated business operations for both of its verticals: cotton and polyester as shown in Chart Q. Its key competitive advantage is presence across the entire textiles and apparel value chain right from sourcing the fibre to yarn production, fabric production through knitting and weaving to garmenting, sheeting and terry towels.

The integration allows the Company to optimise decisions of in-house and external sales and purchase at every stage to optimise business returns depending on market conditions. It is this flexibility that provides the Company with a strong competitive edge in the market.

Chart Q: Integration of Cotton & Polyester



Sales:

Chart R gives the relative share of the different divisions in the Company's total stand alone sales. With 57.70% share, woven fabrics have the largest share of revenues, followed by polyester yarn with 24.30%; Bed sheets with 10.80%; terry towels with 2.30%, knitted fabric with 2.20%, garments with 1.40% and raw cotton & yarn is 1.30%. Total sales for the year was ₹19,917 crores and Domestic sales accounted for 74% of total sales.

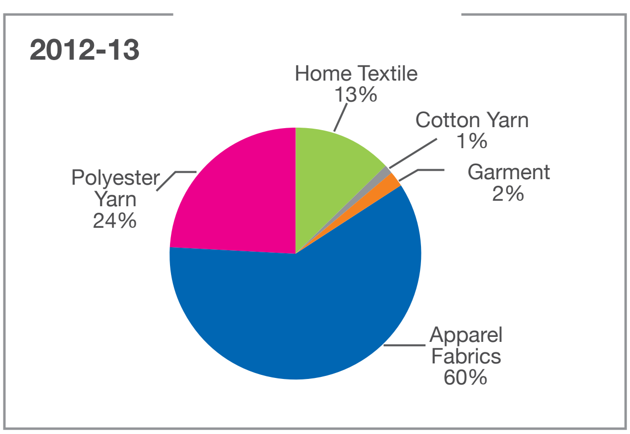
Table 4 gives the details of sales across Alok's different divisions.

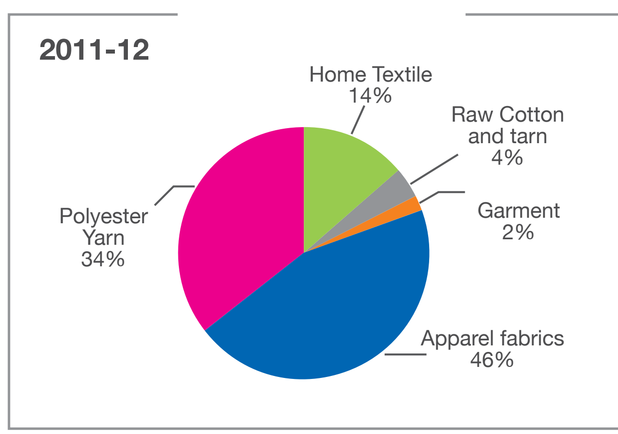
Table 4: Alok's Divisional Sales Snapshot

(₹ Crores)

Particulars	Eighteen Months Ended 30-Sep-2013				Twelve Month Ended 31-Mar-2012				Change
	Local	Export	Total	% To Total Sales	Local	Export	Total	% To Total Sales	
COTTON YARN	**152.88**	**109.08**	**261.96**	**1.32%**	**128.33**	**193.94**	**322.27**	**3.62%**	**18.71%**
APPAREL FABRIC									
Woven	**10,639.77**	**857.81**	**11,497.58**	**57.73%**	3,295.43	568.03	3863.46	43.41%	197.60%
Knitting	**248.65**	**191.28**	**439.93**	**2.21%**	153.42	114.76	268.18	3.01%	64.04%
	10,888.42	**1,049.09**	**11,937.51**	**59.93%**	3,448.85	682.79	4,131.64	46.42%	188.93%
HOME TEXTILES									
Sheeting Fabrics	**12.66**	**2,127.73**	**2140.39**	**10.75%**	14.97	1,074.67	1,089.64	12.24%	96.43%
Terry Towel	**17.67**	**436.36**	**454.03**	**2.28%**	15.05	145.73	160.78	1.81%	182.39%
	30.33	**2,564.09**	**2,594.42**	**13.03%**	30.02	1,220.40	1250.42	14.05%	278.82%
GARMENTS	**66.97**	**214.86**	**281.83**	**1.41%**	21.70	195.60	217.30	2.44%	29.70%
POLYESTER YARN	**3,670.24**	**1,171.79**	**4842.03**	**24.31%**	2,242.41	736.81	2,979.22	33.47%	62.53%
TOTAL	**14,808.84**	**5,108.91**	**19,917.75**	**100.00%**	5,871.31	3,029.54	8,900.86	100.00%	123.77%

Chart R: Division Wise Sales



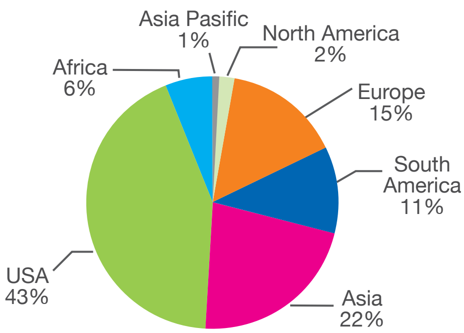


Exports

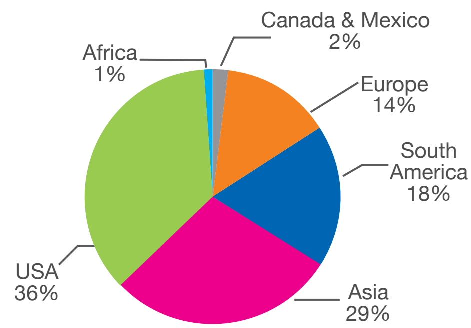
Exports continued to perform well but given market dynamic its share in Alok's total sales reduced to 26% for 18 months period ended September 30, 2013. The share of Alok's exports to different regions of the world is given in Chart S. In terms of regional sales, the major shift between 2012-13 (18 months) and 2011-12 (12 months) are the reduction in share of Asia from 29% to 22%, increase in share of USA from 36% to 43% and Africa increased from 1% share to 6%.

Chart S Region Wise Export Sales

2012-13



2011-12



Business Divisions

Cotton and Cotton Yarn

Alok's spinning facility mainly caters to the captive requirement of the company in its, weaving, knitting and terry division. From time to time, the Company sells its manufactured cotton yarn and trads in cotton / cotton yarn based on the opportunities available in the market. The reported divisional sales data only accounts for external sales of raw cotton and yarn. The Company also out sourced cotton yarn from outside to meet its total cotton yarn requirement.

Table 5: External Raw Cotton and Yarn Sales

(₹ Crores)

Particulars	Eighteen Months Ended 30-Sep-2013				Twelve Month Ended 31-Mar-2012			
	Local	Export	Total	% To Total Sales	Local	Export	Total	% To Total Sales
Cotton & Cotton Yarn	152.88	109.08	261.96	1.32%	128.33	193.94	322.27	3.62%
Total	152.88	109.08	261.96	1.32%	128.33	193.94	322.27	3.62%

Since major portion of the cotton yarn is consumed captively, this division sales is about 1.32% of the total sales of the company for the 18 months period ended September 30, 2013. The external sales are mostly opportunity based and hence may vary from year to year.

Overview of Cotton Spinning Division

- Alok has largest spinning facility in India at a single location (Silvassa); with capacity of 411,840 ring spindles (60,000 tons) and 5,680 open end rotors (20,000 tons) to support in-house apparel fabric and home textiles segments
- 85%-90% of the cotton yarn manufactured is utilized for captive consumption by the apparel fabric (woven & knit fabrics) and home textile (Bed Sheets & Towels) divisions
- External Sales by cotton Spinning business constituted about 1.30% of total revenue of the company for the 18 months period ended September 30, 2013
- Procurement of raw cotton at right price and during harvest remains crucial. Looking at the volatility in the prices of cotton in the recent past, the company tries to maintain an inventory holding to the extent of 3-4 months requirement matching its average sales order book which is also 3-4 months for apparel fabrics, home textiles and garments. Thus, it has in-built risk mitigation for cotton price fluctuation. Further, due to its integrated operations cotton constitutes about 27% – 28% of its fabric selling price and thus has limited impact on the overall operations

Cotton and Yarn – Key Dynamics

Product mix	• Compact yarn, dyed yarn, blended yarn and organic cotton from coarse to fine counts
Target segment	• Primarily captive consumption by fabric and home textiles division (85% to 90%) • 10% to 15% of cotton yarn production is sold to traders, distributors and manufacturing units in the domestic as well as export markets
Highlights	• Largest spinning capacity at a single location in India (at Silvassa)
Industry Scenario	• Cotton prices are expected to be stable at around 40,000 per candy for Shankar 6 variety. However, in the recent past there has been wide fluctuations due to commodity run • Sustained high prices could result in further substitution by polyester • World cotton production is around 26,400 mn tonnes and consumption is at around that level (23,780 mn tonnes) • Indian cotton production is about 6000 tons of which about 5000 (276 Lakh bales) mn tons is consumed /stored within the country and about 1200 (80 Lakh bales) mn tons of cotton is exported. It is the only textile manufacturing country in the world which is cotton surplus. (source: Crisil Research)
Competition	• Cotton trading and yarn operations of the company are opportunistic; primarily to benefit from the market conditions • Due to captive consumption and a small component of external sales, competition from other spinning mills and cotton traders is not applicable to the company
Current Capacity	• 60,000 tons ring spun yarn • 20,000 tons open-ended yarn
Future plans	• In order to build its capabilities in technical textiles and achieving integration therein, the company has plans to expand spinning capacities for production of specialised yarn (for technical textiles) by 3600 tpa by adding 14,112 more spindles and 5040 tpa of regular yarn by installing 38016 spindles • Eventually, the company may expand its spinning capacity to match its total captive requirement

Apparel Fabric

Alok's strength in the Apparel fabric business stems from the fact that it has a wide range of products, both in wovens and knits. In this space, the key differentiators for Alok are its large product offerings, state of the art manufacturing facilities, end to end integration, designing and product development capabilities. Alok also outsources fabric from power looms and other mills, based on the opportunities available in the market and to meet its requirement.

Alok's fabric division continued to make the most of the opportunities in India and overseas in fabrics and recorded good growth all round. It continues to be the highest revenue generator for the company with 59.9% share in the total sales of the company. Both woven and knitted fabric recorded growth and woven maintained its dominant position with 96.3% share in the total apparel fabric division sales.

Table 6 gives the data for Alok's apparel fabric sales.

Table 6: Apparel Fabric Sales

(₹ Crores)

Particulars	Eighteen Months Ended 30-Sep-2013				Twelve Month Ended 31-Mar-2012			
	Local	Export	Total	% To Total Sales	Local	Export	Total	% To Total Sales
Woven	10,639.77	857.81	11,497.58	57.73%	3,295.43	568.03	3,863.46	43.41%
Knitting	248.65	191.28	439.93	2.21%	153.42	114.76	268.18	3.01%
Total	10,888.42	1,049.09	11,937.51	59.93%	3,448.85	682.79	4,131.64	46.42%

Overview of Apparel Fabric Division

- Alok has one of the largest woven and knitted fabrics capacities in the country – 186 million meters p.a. for woven fabrics and 25000 tons p.a. for knitted fabrics
- Key business segment for the company contributing 60% of total revenue for the 18 months period ended September 30, 2013 with revenue of 11937.51 crores
- Integrated operations, large scale, state of the art weaving , knitting & processing, in-house designing & product development team, wide range of products, differentiates the company in this segment
- The company manufactures finished fabric primarily against orders which helps mitigate the risk of unsold inventory, while the pricing takes into account prevailing market price of raw material and foreign currency rate for exports
- Strong backward integration by way of in-house cotton and blended yarn production helps minimize the impact of any adverse fluctuations in yarn prices
- The apparel fabric division has a highly diversified and reputed customer base which includes garment exporters, garment brands, wholesalers, traders and retailers in domestic market, garment companies in international market and institutional sales to armed forces, government companies and corporates for work wear and technical textiles both in domestic and international markets
- Company has identified technical textile products and high-end yarn dyed fabric as its major growth areas

In the apparel fabric market, Alok is focusing particularly on three segments to achieve growth – fashion wear, yarn dyed fabrics, and work-wear & technical textiles.

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

Yarn-Dyed Fabric: This is a sub-segment within fashion-wear, which includes fabric used for fashionable shirting and high end women's wear. The products are of high quality and command premium prices in the market. In this segment, Alok has derived benefit of its acquisition of Mileta by getting the technology for manufacturing premium yarn dyed fabric. The company has a capacity to produce 9000 tpa of dyed yarn which is being further expanded.

Technical Textiles: These are speciality fabrics that have special functionality and are used in industrial, aerospace, military, marine, medical, construction, transportation and high technology applications. Some examples of these fabrics are fire retardant fabric, water repellent and soil release fabric and high visibility fabric. These products have higher unit selling price on account of their specialised characteristics. The technical textiles market in India is still at a nascent stage and also quite unorganised. It is also highly import intensive. Estimates suggest that this market will grow at a CAGR of 10% to reach ₹ 145,000 crores (US$ 27 bn) by 2020.

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

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

Apparel Fabric – Key Dynamics

Product mix	• Diversified product mix with cotton / cotton blends of yarn-dyed / piece- dyed fabrics in knits / woven for daily wear, fashion wear, industrial or technical textiles
Target segment	• Garment manufacturers in India who in turn sell in the domestic as well as export markets • Brands, wholesalers, retailers and traders in the domestic market • Garmenting manufacturer and large format retailers in export market • Institutions/corporate customers for technical textiles & work wear
Highlights	• The largest players in the country in the apparel fabric segment • Alok's largest revenue segment (about 60% in 2012-13) • Enjoys relatively high EBIDTA margin on account of high level of integration (in-house spinning, weaving, designing and processing capacities) • Increasing share of value added yarn dyed fabric and technical textiles • Diversified and quality conscious customer base
Industry Scenario	• India's fabric production is estimated at 63,000 million sq. meters and growing at a CAGR of about 5% • Strong growth prospects as the Indian fabric industry is becoming increasingly more competitive globally • The current market size for technical textiles in India is estimated at close to USD 12 billion (₹ 65,730 crores) with demand estimated to grow at 10% CAGR to reach about USD 27 billion (₹ 1,45,000 crores) by FY 2020

Competition	• The unorganized / largely fragmented nature of industry makes estimation of market share difficult • Major players in the organized segment include Arvind Limited, Vardhman Textiles,Nahargroup, LoyalTextiles,PratibhaSyntexLimited,Maral Overseas Limited, etc and Unorganised players
Current Capacity	• Woven Fabric Capacity of 186.0 million meters • Knitting capacity of 25,000 tons • Yarn Dyeing Capacity of 9,000 tons
Future plans	• Increasing Yarn Dyeing Capacity by 6000 tons p.a. to reach 15,000 tons p.a.

Source: Ministry of Textiles & Wisedge Research

Home Textiles

In Home Textiles, Alok offers wide range of products in bed linen from 180 TCs to 1000 TCs and includes sheet-sets, duvets, comforters, blankets, quilts and bed-in-a-bag in prints, solids, embroidery, sateens, flannel, jacquards, dobbies, yarn-dyed etc. Alok also manufactures curtains and terry towels. This division export oriented and its clientele include major global retailers and brands.

Alok has won several awards for highest export of bed linen and home textiles from India.

Table 7 gives the data for Alok's home textiles sales in 2012-13

Table 7: Home Textiles Sales

(₹ Crores)

Particulars	Eighteen Months Ended 30-Sep-2013				Twelve Month Ended 31-Mar-2012			
	Local	Export	Total	% To Total Sales	Local	Export	Total	% To Total Sales
Bed Sheets	**12.66**	**2,127.73**	**2,140.39**	**10.75%**	14.97	1,074.67	1,089.64	12.24%
Terry Towel	**17.67**	**436.36**	**454.03**	**2.28%**	15.05	145.73	160.78	1.81%
TOTAL	**30.33**	**2564.09**	**2594.42**	**13.03%**	30.02	1220.40	1250.42	14.05%

Overview of Home Textiles Division

- Alok's capacity in this segment is 150 million meters p.a. for wider width fabric and 13,400 tons p.a. for terry towels
- It has emerged as the largest producer and exporter of bed linen in the country and has won several Gold trophies from Texprocil, Ministry of Textiles, Government of India
- With total sales of 2594.42 crores for the 18 months period ended September 30, 2013, home textiles division accounts for 13% of overall revenues
- Integrated operations with spinning / processing capabilities enables better control over product quality and give better margins
- Presence in the relatively high end home textiles (300 to 800 counts product category) enable higher price realisation and helps mitigate competition from other low cost manufacturing countries and domestic companies
- In home textile segment, Alok is mainly present in the exports markets (~99% exports) where it faces competition from Chinese, Pakistani and Turkish manufacturers
- Established and reputed multinational clientele results in strong customer profile; periodic pricing resets to protect margins in case of increase in input costs / foreign exchange fluctuations

The major export market for home textile is USA, which is the largest consuming centre for home products in the world. The other export destinations include Europe and Australia. The company would be looking at expanding its geographical distribution of home textile division in future. The bed linen segment with 82.50% share in revenue of the home textile division is the major contributor for the division.

Home Textile – Key Dynamics

Product mix	• Alok produces a wide range of products in bed sheet sets, comforters, blankets, quilts, curtains and terry towels. In 2012-13, bed sheets accounted for close to 82.50% of the division's sale while terry towel accounted for about 17.50%
Target segment	• Export to blue chip overseas retailers and brands • Exports accounting for 99% of overall division's sales and 50% of total exports of Alok • Domestic retailers and brands
Highlights	• Largest domestic player in manufacturing and export of bed sheets (Received various export awards from Government of India) • Amongst top four players in terry towels • Strong integration – in house spinning, weaving, processing and stitching unit enabling control over end product quality and better margins
Industry Scenario	• Global trade in Home Textiles segment is estimated at around US$ 32 billion, accounting for about 5% of the total global textile market • India with exports of USD 3 billion, currently is the largest supplier of terry towels and bed sheets • Spend on home textiles is price sensitive in nature with demand vulnerable to economic slowdowns; demand shift to lower value segment within home textiles from time to time based on market conditions • India's domestic consumption is presently low, however, offers great potential for growth
Competition	• Welspun India, Trident, Indo Count Industries, GHCL, Bombay Dyeing, Hanung Toys & Textiles Ltd., etc. are some of the major Indian players in this segment • International competition is from manufacturers based out of China, Pakistan, Turkey, etc.
Current Capacity	• Wider width fabrics – 150 million meters • Terry towels – 13,400 tons
Future plans	• Company may grow the capacities of terry towels in a gradual manner

Garments

Alok produces wide range of knitted and woven garments for ladies, gents and children for different application such as sportswear, active wear, casual wear and sleepwear. Based on the application, the garments made from different types of fabrics like solid, mélange, yarn dyed, auto stripes, jacquards, embroidered and variety of prints. The Company is also focusing on institutional sales for garments. This includes product lines like work-wear and uniforms.

The garment recorded asales of ₹ 281.83 crores for the 18 month period ended September 30, 2013, which was about 1.4% of the total sales of the company. The division is mainly focused on exports which stood at 76% of the division sales.

Table 8 gives the data for Alok's Garments sales in 2012-13

Table 8: Garments Textiles Sales

(₹ Crores)

Particulars	Eighteen Months Ended 30-Sep-2013				Twelve Month Ended 31-Mar-2012			
	Local	Export	Total	% To Total Sales	Local	Export	Total	% To Total Sales
GARMENTS	66.97	214.86	281.83	1.41%	21.70	195.60	217.30	2.44%
Total	66.97	214.86	281.83	1.41%	21.70	195.60	217.30	2.44%

Overview of Garments Division

- Company has an installed capacity of 22 million pieces spread over three locations
- Garment division accounted for 1.4% of total sales, almost 76% of which is exported
- Going forward higher focus on institutional segment

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

Garments – Key Dynamics

Product mix	• Alok produces a wide range of garments in woven and knits for mens, ladies and kids for fashion wear, active wear, work wear and sleep wear
Target segment	• Export to overseas retailers and brands • Exports accounting for 76% of overall division's sales • Domestic retailers and brands
Highlights	• Amongst the top 20 players in the country • Strong integration – in house spinning, weaving, processing and stitching unit enabling control over end product quality and better margins
Industry Scenario	• India's garment exports is estimated at about USD 13 billion , which is about 40% of India's total textile exports of about USD 33 billion • India's major strength is in cotton garments and mainly caters to lower to medium segments • India's domestic consumption of Apparels is growing at a CAGR of about 8% and likely to grow from about USD 46 billion in 2012 to about USD 85 bn by 2020
Competition	• Gokaldas Exports Ltd, Shahi Exports Ltd, Bombay Rayon Fashion Ltd., Mandhana Industries Ltd., Orient Craft Ltd., Pearl Global Ltd., etc. are some of the major Indian players in this segment • International competition is from manufacturers based out of Bangladesh, Sri Lanka, Vietnam, China, etc.
Current Capacity	22 mn pieces p.a.
Future plans	• To focus more on value added institutional work wear segment

Polyester Yarn

Polyester Yarn divisions is an important segment in the overall business of Alok. In Polyester too, Alok is an integrated player where it uses Purified Terephthalic Acid (PTA) and Mono Ethylene Glycol (MEG) and through Continuous Polymerization (CP) route, converts the same into Partially Oriented Yarn (POY) / Chips. It also does further processing and converts the POY into Draw Texturised Yarn (DTY) besides Fully Drawn Yarn (FDY), Cationic Yarn and Polyester Staple Fibre (PSF).

Alok's USP in this segment is its focus on manufacturing wide range of finished products. It is consolidating its position for manufacturing value added products like Master Batch, Specialised Yarn, etc. It is also focusing on developing diversified overseas market for its polyester yarn.

The division recorded sales of ₹ 4842.03 crores for the 18 month period ended September 30, 2013, which was about 24.31% of the total sales of the company. Exports constituted about 24% of the division's sales. The major export destinations are Latin America, Eastern Europe, Africa, South East Countries, China and Asia.

Table 9 gives the data for Alok's Polyester sales in 2012-13

Table 9: Polyester Sales

(₹ Crores)

Particulars	Eighteen Months Ended 30-Sep-2013				Twelve Month Ended 31-Mar-2012			
	Local	Export	Total	% To Total Sales	Local	Export	Total	% To Total Sales
POLYESTER YARN	**3,670.24**	**1,171.79**	**4842.03**	**24.31%**	2,242.41	736.81	2979.22	33.47%
Total	**3,670.24**	**1,171.79**	**4842.03**	**24.31%**	2,242.41	736.81	2979.22	33.47%

Overview of Polyester Division

- Polyester Yarn division is the second highest revenue generating segment for Alok after Apparel Fabric division, with sales of 4,842.03 crores for the 18 months period ended September 30, 2013, which is 24% of total company's revenue
- Demand scenario on long term basis are likely to be good due to increasing substitution of natural fibres
- Competition from Chinese manufacturers, large Indian peers & unorganised domestic texturisers; however Alok's large scale integrated operations and focus on finished products make it a sustainable player
- Relatively moderate EBDITA margins due to commodity nature of business; volatility in raw material (MEG & PTA) prices may affect profitability margins if not passed through adequately
- The integrated polyester business commands better ROCE as compared to integrated cotton business due to higher asset turnover and lower working capital intensity

Polyester Yarn – Key Dynamics

Product mix	• Partially Oriented Yarn (POY), Fully Drawn Yarn (FDY), Drawn Texturised yarn (DTY), Cationic Yarn, Polyester Staple Fibre (PSF), Master Batch
Target segment	• Domestic power loom weavers • Direct exports to Overseas traders, Manufacturers
Highlights	• Among top three polyester yarn manufacturing Company in India
Competition	• Competition from domestic players like Reliance Industries Ltd, Indo Rama Synthetic Ltd, JBF Industries Ltd, Garden Silk Mills Ltd, Century Enka Ltd, etc. • Competition from Chinese polyester yarn manufacturers that dominate the global polyester market with 70% market share
Industry Scenario	• Due to increasing gap between cotton yarn and polyester yarn, the demand for polyester yarn is steadily growing at a CAGR of about 6%. It is likely to grow at a faster pace in future in domestic market on account of cotton surplus situation of India getting saturated (due to higher exports and domestic consumption). The masses would find polyester blended fabrics more affordable
Current Capacity	• CP : 5,20,000 tons, POY/ Chips : 1,00,000 tons, DTY : 2,40,000 tons, FDY : 70,000 tons, and PSF / Cationic Yarn : 1,10,000 tons
Future plans	• Focus on optimising the existing capacities, increasing selectively some of the value added products

Manufacturing Capacities

Table 10 gives the manufacturing capacities of the Company in different divisions.

Table 10: Alok's Capacities

Divisions	Units	Capacities Per Annum
SPINNING	Tons	**80,000**
HOME TEXTILES		
Sheeting Fabric	mn mtrs	**150**
Terry Towels	Tons	**13,400**
APPAREL FABRIC		
Woven Fabric	mn mtrs	**186**
Knits	Tons	**25,000**
GARMENTS	mn pcs	**22**
POLYESTER		
CONTINUOUS POLYMERISATION	Tons	**5,20,000**
POY/Chips	Tons	**1,00,000**
DTY	Tons	**2,40,000**
FDY	Tons	**70,000**
Polyester staple fibre / Cationic Yarn	Tons	**1,10,000**

Strategic Investments

In addition to the core textiles operations with manufacturing facilities in India, the Company has diversified its business 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.

Alok has initiated process of coming out of its non-core activities of Realty and Retail (domestic & overseas) and in line with this also merged all the domestic subsidiaries / associates into a single wholly owned subsidiary – Alok Infrastructure Limited. The company believes that over next two financial years, it would be out of these businesses and use the proceeds to repay the debt at subsidiary / standalone level.

Table 11 gives details of Alok's investments including the ones in subsidiaries and others.
Table 11: Alok's Investments in subsidiaries

(₹ Crores)

Particulars	Equity	30-Sep-2013	31-Mar-2012
NON CURRENT INVESTMENTS			
Investment in Subsidiaries (unquoted)			
Alok Inc	-	**-**	0.04
Alok International Inc. ₹ 43225	0.004	**0.004**	0.004
Alok Singopre Pte. Ltd. ₹ 49	-	**0.00**	0.00
Alok International (Middle East) FZE	1.31	**1.31**	1.31
Alok Worldwide Ltd. ₹ 6252	-	**0.00**	-
Alok Infrastructure Ltd.	0.05	**0.05**	0.05
Sub-total (A)	1.36	**1.364**	39.00

(₹ Crores)

Particulars	Equity	30-Sep-2013	31-Mar-2012
In Joint Venture (unquoted)			
Aurangabad Textiles & Apparel Park	17.25	**17.25**	17.25
New City Of Bombay Mfg. Mills Ltd.	75.13	**75.13**	75.13
Sub-total (B)	92.38	**92.38**	92.38
Others (unquoted)			
Trimphant Victory Holdings Ltd. ₹ 90.14	0.00	**0.00**	0.00
Dombivali Nagari Sahakari Bank Ltd.	0.05	**0.05**	0.05
Kalyan Janta Sahakari Bank Ltd.	0.03	**0.03**	0.03
Saraswat Bank Ltd. ₹ 25,000	0.00	**0.00**	0.00
Alok Benefit Trust	35.33	**35.33**	35.33
Wel-Treat Environ Management Org. ₹ 36,500	0.004	**0.004**	0.004
Sub-total (C)	35.41	**35.384**	35.41
Total of A+B+C	129.15	**129.15**	166.79
CURRENT INVESTMENTS			
In Bonds		**2.00**	2.00
In Mutual Funds		**0.73**	1.94
Total D		**2.73**	3.94
Total of A+B+C+D		**131.88**	170.73

Financial Performance (Consolidated)

The accounting period under review 2012-13, is an 18 month financial year and 2011-12 was a 12 month financial period, hence the performance is strictly not comparable.

Table 12 gives the summarised profit and loss statement of the Company for 2012-13 as compared to the previous year.

Table 12: Consolidated Profit and Loss Summary

(₹ Crores)

Profit & Loss Account	18 M/Ended 30-Sep-13		12 M/Ended 31-Mar-12		% Change
		% to Sales		% to Sales	
Net Sales	**21,388.36**		9,784.72		118.59%
Other Income	**94.00**		95.51		(1.58%)
TOTAL INCOME	**21,482.36**		9,880.23		117.42%
Material Costs	**12,219.71**	**57.13%**	5,042.82	51.54%	142.32%
People Costs	**733.73**	**3.43%**	488.13	4.99%	50.31%
Other Expenses	**3,201.75**	**14.97%**	1,877.36	19.19%	70.55%
OPERATING EBIDTA	**5,327.17**	**24.91%**	2,471.92	25.26%	115.51%
Depreciation	**1,418.20**	**6.63%**	749.14	7.66%	89.31%
OPERATING EBIT	**3,908.97**	**18.27%**	1,722.78	17.61%	126.90%
Interest & Finance Costs	**2,495.62**	**11.67%**	1,234.70	12.62%	102.12%
OPERATING PBT	**1,413.35**	**6.61%**	488.08	4.99%	189.57%
Exceptional Items	**634.38**	**2.97%**	121.27	1.24%	423.11%
PROFIT BEFORE TAX	**778.97**	**3.64%**	366.81	3.75%	112.36%
Less: Provision for Taxes	**484.32**	**2.25%**	273.90	2.80%	76.82%
PAT	**294.65**	**1.38%**	92.91	0.95%	217.13%
Add: Share of Profit from associates	**2.07**	**0.01%**	0.08	-	2603.25%
Net Profit for the period/year	**296.72**	**1.39%**	92.99	0.95%	219.10%

Profit & Loss Analysis (Consolidated)

- Net Sales was ₹ 21,388.36 crores for 18 months period ended September 30, 2013 against ₹ 9,784.72 crores in 2011-12. Alok Industries Ltd constitutes the major portion of the consolidated sales followed by Grabal Alok (UK) Ltd. Table 13 gives the company wise break up of consolidated sales.

Table 13: Company wise Break-up of Consolidated Sales

(₹ Crores)

Name of the company	30-Sep-2013 (18 Months)	31-Mar-2012 (12 Months)
Alok Industries Limited	**18959.79**	8657.10
Grabal Alok (UK) Limited	**1154.19**	718.92
Alok Singapore Pte. Ltd.	**715.09**	26.49
Alok International, Inc.	**291.09**	129.35
Mileta, a.s.	**210.16**	129.67
Aurangabad Textiles & Apparel Parks Limited	**28.94**	30.96
New City Of Bombay Mfg. Mills Ltd.	**27.78**	34.24
Alok International (Middle East) FZE	**0.70**	-
Alok Infrastructure Limited	**0.63**	-
Alok Retail (India) Limited*	**-**	27.68
Alok H&A Limited*	**-**	18.46
Alok Apparels Pvt. Ltd.*	**-**	11.85
Net Sales	**21388.36**	9784.72

*merged with Alok Infrastructure Ltd w.e.f. 01.04.2012

- **Other Income** was ₹ 94.00 crores for 18 months period ended September 30, 2013 against ₹ 95.51 crores in 2011-12. Much of the other income booked is interest income on current investments and other non-operating income.
- **Material Cost** was ₹ 12,219.71 crores for 18 months period ended September 30, 2013. It was ₹ 5,042.82 crores in 2011-12. As a percentage of sales, material cost increased from 51.54% in 2011-12 to 57.13% for 18 months period ended September 30, 2013.
- **People Costs** was ₹ 733.73 crores for 18 months period ended September 30, 2013. In 2011-12, it was ₹ 488.13 crores. People cost to net sales ratio decreased from 4.99% in 2011-12 to 3.43% for 18 months period ended September 30, 2013.
- **Other Expenses** increased was ₹ 3,201.75 crores for 18 months period ended September 30, 2013, while it was ₹1,877.36 crores in 2011-12. As a percentage of net sales, it decreased from 19.19% in 2011-12 to 14.97% for 18 months period ended September 30, 2013.
- **Operating Earnings Before Interest, Depreciation, Tax and Amortisation (EBIDTA)** increased to ₹ 5,327.17 crores for 18 months period ended September 30, 2013 against ₹ 2,471.92 crores in 2011-12. The Operating EBIDTA margins marginally decreased from 25.26% in 2011-12 to 24.91% for 18 months period ended September 30, 2013.
- **Depreciation** is ₹ 1,418.20 crores for 18 months period ended September 30, 2013 compared to ₹ 749.14 crores in 2011-12. As a percentage of sales it has reduced from 7.66% in 2011-12 to 6.63% for 18 months period ended September 30, 2013.
- **Interest** expense increased from ₹ 1,234.70 crores in 2011-12 to ₹ 2,495.62 crores for 18 months period ended September 30, 2013. As a percentage to sales, interest and financing expenses decreased from 12.62% of sales for 2011-12 to 11.67% of sales for 18 months period ended September 30, 2013.
- **Operating Profit Before Tax** is ₹ 1,413.35 crores for 18 months period ended September 30, 2013 against ₹ 488.08 crores in 2011-12. In terms of margin, it has increased from 4.99% in 2011-12 to 6.61% for 18 months period ended September 30, 2013.
- **Exceptional Loss** of ₹ 634.38 crores comprise mainly of marked to market unrealised gains or losses from derivatives / foreign exchange transactions (₹ 317.39 crores) and write down of good will pertaining to Grabal Alok (UK) Ltd, a retail entity in U.K. (₹ 316.99 crores). The exceptional loss for the previous year 2011-12 was

₹121.27 crores towards derivatives / foreign exchange transactions.

- **Profit After Tax (PAT)** was ₹ 296.72 crores for 18 months period ended September 30, 2013 against ₹ 92.99 crores in 2011-12. In terms of margin, it improved to 1.39% for 18 months period ended September 30, 2013 from 0.95% in 2011-12.

The details some of the major subsidiaries of Alok are given below:

Subsidiaries - Textiles

In the textiles space, the company has one step down subsidiary overseas, Mileta a.s. in the Czech Republic. The other subsidiary based out of India namely Alok Apparels Private Limited got merged with other subsidiary company namely Alok Infrastructure Ltd with effect from April 01, 2012.

Mileta

Alok holds 100% stake in Mileta, a Czech based fabric manufacturing company through its subsidiaries. Mileta's facilities are located in Horice (Weaving and Administration) and Cerny Dul (processing) in the Czech Republic.

Mileta has provided considerable benefits to Alok by way of providing its technology skills in yarn- dyed fabrics and hemming. This has made Alok, a dominant player in the valued added yarn dyed fabric segment facilitated the entry into new product line of handkerchiefs.

The Mileta range of products includes high quality yarn dyed shirting, batistes and voiles, complete line of functional table linen, bed linen and handkerchiefs. Their brands such as 'Mileta', 'Erba', 'Cottonova', 'Wall Street' and 'lord Nelson' are popular amongst the best brands in the world. Alok also gets benefit of Mileta's extensive marketing network in Europe, Russia and Africa to promote its existing products.

The operations of Mileta during the period were affected by a fire in the factory in December 2012 that stalled production. However, it resumed the production as per schedule and overall performance was satisfactory.

Subsidiaries - Retail

Alok has strategically decided to reduce its exposure in the retail business. The Company is seeking measures to reduce capital outlay and monetise it to the extent possible.

H&A: Domestic Retail

The Company's domestic retail operations are carried out through the cash and carry model. There were two subsidiaries called 'Alok H&A Ltd' and 'Alok Retail India limited'. Both of these two subsidiaries got merged into wholly owned subsidiary of Alok, namely Alok Infrastructure Limited with effect from April 01, 2012. The company plans to gradually exit the domestic cash & carry business by closing down the shops in a phased manner.

Store Twenty One: UK Retail

Alok Group presently has a stake of 90.43% in Grabal Alok (UK) Ltd, a company that operates the 'Store Twenty One' chain of value-format stores in UK. Today, the chain comprises 191 stores, which offer a value proposition for quality apparel for women, men, and children. They also sell accessories like artificial jewellery, shoes, leather bags, and toys, which complement the apparel range.

The economic slowdown and low consumer confidence in UK severely affected this business and consequently generated operational losses for past few years. The Company is actively looking at options to exit this business and considering a 1-2 offers.

Subsidiaries – Real Estate

The Company has made investments in the realty sector through its wholly owned subsidiary Alok Infrastructure Ltd and step down subsidiary Alok Realtors Pvt Ltd (merged with Alok Infrastructure Ltd). The focus in this business is to create value from the existing investments and monetise the assets in an opportunistic manner. The company has already started monetising the assets and the proceeds have been used to repay debt at the subsidiary level. The details of properties are given in Table 14 below:

Table 14: Investment in Real Estate

(₹ Crores)

Sr. No.	Particulars	Location	Type	Area
1	Peninsula Business Park	LowerParel, Mumbai	Commercial Property	536,000 sq. feet (17.5 floors)
2	Ashford Centre	Lower Parel,Mumbai	Commercial Property	60,000 sq. feet (8 floors)
3	Ashford Royale (50% stake)	Nahur, Mumbai	Residential Property	1.1 mn. sq. feet
4	Lotus Corporate Park	Goregaon, Mumbai	Commercial Property	13,500 sq. feet
5	Ashford Palazzo (30% stake)	Bhulabhai Desai Road, Mumbai	Residential Property	1 lakh sq. feet
6	Land at Silvassa	Silvassa	Industrial Land	447.08 acres
7	Land at Vapi (50% stake)	Vapi	Residential/commercial	36 acres
8	Peninsula Corporate Park	Lower Parel, Mumbai	CommercialProperty	36,068 sq. feet (1.5 floors)

Out of the above portfolio of real estate, the company has achieved good progress in monetizing deals worth ₹ 974.43 crores as per the details given in Table 15 below:

Table 15: Realisation of Real Estate

Name of the Property	Details of Sales	Total Consideration	Total Amount Received	Balance to bereceived
Peninsula Business Park	16.50 floors	819.73	597.14	222.59
Ashford Centre	3 floors	42.32	42.32	-
Land at Silvassa	64.18 acres	47.88	47.88	-
Peninsula Corporate Park – Peninsula Tower	30,218 sq, feet	64.50	12.35	52.15
Total		**974.43**	**699.69**	**274.74**

The details of the major real estate investments are given below:

Peninsula Business Park (Lower Parel, Mumbai)

This includes 614,999 sq ft (20 floors) of ultra-modern office premises with 600 car parks. Out of the total 20 floors, sale deeds have been completed for 12 floors, token consideration received and Heads of Terms (HoT) executed for 4.5 floors, 2.5 floors (78,999 sq. feet) are leased and the deal for 1 floor is under negotiation. All transactions are expected to be concluded by March 2014.

Ashford Royale Premium Residential Complex (Nahur, Mumbai)

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 1.02 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 project has received good response from the market and a good number of flats have been sold. The project is expected to be completed by December 2016.

Ashford Centre (Lower Parel)

This is a 60,000 square feet of prime office space is located in Lower Parel spread over 8 storeys with floor plate of 7,500 square feet and 40 car parks.

Construction is complete and occupancy certificate has been received. 3 floors have been sold, 4 floors are leased and 1 floor is under negotiation.

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 have set up a garmenting unit.

Quality, Environment, Health & Safety and Social Accountability

Alok Industries has always proactively adopted business practices and improvement techniques that strive to promote excellence in manufacturing and customer satisfaction. Consequently, there is a continuous emphasis on adopting best practices and high quality processes to maintain high standards of its products and systems. The Company has the following certifications and accreditations.

System Certifications

The company is certified with an Integrated Management System (IMS) which covers the following standards:

1. ISO 9001:2008 – 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 Management System

Other Certifications

1. ISO 22000:2005 – Food Safety Management System (for Packaging plant in Silvassa)
2. ISO/TS 16949:2009 – Technical Specification Quality Management System (for Polyester plant in Silvassa)
3. GOTS / OCS 100 – Global Organic Textile Standard / Organic Content Standard covering NOP / NPOP regulations
4. ISO 17025:2005 NABL – Standard for Authorized Testing Laboratories (for physical and chemical labs at Vapi and Navi Mumbai)

Alok Industries through its recently obtained certificate of ISO/TS 16949:2009 (Quality Management System for Automotive and Service Part Production) is now a part of the rare group of global-textile companies to have claim on this coveted certification. The scope of the certification covers manufacture of Partially Oriented Yarn (POY), Fully Drawn Yarn (FDY) and Draw Textured Yarn (DTY).

Product Certifications

Alok Industries is the first Indian Textile company to have been awarded various multi-national certifications for its eco-friendly products (for non-utilization of harmful substances).

These include:

1. EU Flower – the eco-certificate from European Union
2. SWAN certification – a Nordic eco-labelling certification
3. Fair-trade certification – for ethical and eco-friendly production
4. SU-PIMA Cotton / Egyptian Cotton / African Cotton – Certificate issuing approvals for Purchase and Manufacture

As part of efficiency optimization, lean management practices have been commenced at the Silvassa and Vapi plants; the process is being rolled out over to other

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 2012-13 include:

- The first phase of implementation of Profitability Analysis (CO-PA) of CO module has progressed well. There are some teething issues related mostly to the integration and related module's configuration requirements. Support CO-PA has been completed. We have partnered with PWC to implement CO across our business – The Company has successfully carried out a live run on production server for spinning division. Some master data issues were observed. They have been corrected and cost run was re-executed. Result is being checked for all spinning materials.
- APO has been configured, completed and tested on development and quality before putting on production server. A few orders have been tested on production server. However, we have not been able to go live because of some product gaps which needed some additional feature. We had a meeting with SAP senior management and they have agreed to park the licenses until a version with required features are made available. SAP has agreed to put APO module officially as "parked". AMC billing has been stopped for this module. The documentation process has been completed and SAP has officially confirmed closure of this project for now.
- HCM module is working fine. System has been completely implemented. All locations are using SAP's IT computation, which is found to be accurate, except for a few exceptions. These scenarios are being reviewed and required configuration changes, if any, shall be carried out. HCM system is fully being used. We are now looking at the techno/commercial feasibility of deploying ESS (Employee Self Service).
- System is functioning well after ECC 6 upgrade. SAP has mandated upgrade of Oracle database from 10G to 11G. This has been done on development and quality. Production server has been upgraded to 11G. ECC system is working fine with latest database version. We are now focussing more on the performance tuning to deliver quick response to users in critical reports . A lot of work has been done and we have completed certain structural changes in the system. Performance is under observation. Performance of critical reports have improved after these changes and system has been working smoothly.
- Since the transaction system has stabilised, we have moved to evaluating of various BI tools. It has been decided to initiate a business analysis study prior to signing up for BI.
- We have successfully implemented the DR environment using vision software. The application has stabilised after many teething configuration issues. Snapshots are working fine and users can now login and run reports on this server, thus reducing the load on production server – DR drill was successfully carried out and partnered with Sify Technologies to shift the DR landscape to their Bangalore data centre. Once this is done, Alok will achieve one more level of redundancy by having an online fail-over system at a different geographic location out of the present seismic zone and power grid.

Sustainability and CSR Initiatives

At Alok, we have always strived to be a leader in sustainable integrated textile solutions delivering value through environmentally and socially responsible textile products.

Since cotton fiber constitutes major portion of our raw material at Alok, a predominantly cotton based textile manufacturer, the initial quest towards being sustainable starts with an increased use of ethical fibers like Organic cotton (cotton grown without the use of external synthetic agricultural inputs like fertilizers and pesticides and helps conserve the environment from the harmful effects of the use of hazardous agro chemicals), Fair Trade cotton fiber, Better Cotton (involves educating the cotton growers to adopt the Best Management Practices in cotton cultivation) and recycled cotton and polyester for our state of the art spinning plant.

The shift from conventional fiber use to the ethical fiber types can significantly reduce the environmental impact of growing conventional, resource intensive cotton and help marginal cotton growers economize on farm expenses. However, much of the use of the organic cotton is also driven by the requirement of the customers. The use of organic cotton not only leads to helping conserve the fragile environment threatened today by indiscriminate use of agro chemicals and pesticides but also helps farmers get decent farm earnings to sustain their livelihoods.

This is further augmented by the use of most efficient, state-of-the-art plant and machinery in manufacturing textiles there by conserving scarce energy and water critical to textile processing, use of environment friendly dyes and chemicals and efficient handling of the effluents.

Alok is GOTS certified and a member of Better Cotton Initiative (BCI) quality manufacturer supplying Organic and Better Cotton textile products to the world's leading brands in Europe and the US.

As a Fair Trade (FLO) certified company, Alok values the fair price concept across the value chain. We have initiated and have been instrumental in a few of the well-known Organic and Fair Trade cotton projects in India and abroad where in a premium is paid to the marginal Organic and Fair Trade cotton growers to enable them effectively integrate with the market and remain sustainable in a highly volatile cotton business.

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

Sustainability in textiles as a futuristic approach is not only using right kind of raw materials but is also an effective alignment and adoption of processes in textile manufacturing which are economically just, environmentally friendly and beneficial to the society. To achieve this end, Alok remains committed to the newer and cleaner technology, use of eco-friendly dyes for all processing, treatment of post-dyeing effluents, installation of reverse osmosis (RO) units to recover fresh water from the treated one and installation of Selective Catalytic Reduction (SCR) systems in the exhaust of the DG sets to reduce oxides of Nitrogen.

Alok encourages the use of recycled products and has set up a recycled polyester unit with an initial 20 tons/ day of capacity to recycle polyester and polyester yarn waste, flakes and PET bottles to produce 100% recycled polyester fiber. Alok is certified for ISO 14001:2004, standard for environment management.

At the social equity front, Alok has been helping raise the quality of life in communities it operates in adopting measures that benefit the local population in terms of direct and indirect employment. Providing training and employment to local tribal women has helped the company take a huge leap forward towards women empowerment. Alok is certified for Occupational Health & Safety Advisory Services (OHSAS) 18001 certificate too.

Alok is one of the largest integrated textile manufacturers in the country providing a wide array of textile products that conform to the sustainability norms and has evolved into a diversified manufacturer of world-class home textiles, garments, apparel fabrics and polyester yarns, selling directly to manufacturers, exporters, importers, retailers and to some of the world's top brands.

The company is now accredited with Integrated Management System (IMS) and has obtained IMS with all the four certifications, namely:

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

In addition to the above, Alok has recently received ISO / TS 16949:2009 certification for its Polyester division.

We have been awarded all important certifications for its eco-friendly products as under:

- EU Flower – the eco-certificate from European Union,
- SWAN certification – a Nordic eco-labelling certification

Being totally integrated, Alok actively utilizes all opportunities to effectively incorporate various ethical concepts across the value chain.

Education

AADTT

Alok, in collaboration with a leading dyes manufacturer, took up an initiative to retain top textile talent in the textile industry itself and thus buck the trend of fresh textile graduates looking for greener pastures in the field of IT. The cultural transformation was slow and painful, but as a result of our continuous effort, the initiative has become a roaring success in a span of 4 years.

A team of top executives of these two companies visit the campuses of ten leading textile institutes all over India, select the top twenty students and take them through a rigorous program of academics and practical exposure for a span of one year to turn them into future leaders in textiles. They get to work with the state-of-the-art machinery with the guidance of the top brains in the industry. They are taught by the best in the industry in India as well as abroad. They qualify for the diplomas and certificates awarded by the top forums like AATCC and SDC and a few of them even get to present their papers in their conferences in USA and Europe. The success of this initiative is borne out by the fact that in this short span of 4 years, AADTT has become a huge success with all the top textile companies in India, who vie with each other to recruit the products of this academy year after year.

Alok Public School

Alok Public School in Silvassa already has a student base of close to 500 and a much coveted school in the township and surrounding areas. The School has introduced several pioneering initiatives and has acquired an enviable reputation. The School has been granted the much sought after CBSE affiliation and also recognized as a 'New Generation' CBSE school.

The School has stepped into its third academic year with Class IX being the senior most. The first batch of Class X students will appear in the AISSE in March 2015. Education in the elementary level is predominantly activity based. Life skills and problem-solving are essential components. Teachers are trained and substantially well versed in technology and language.

Apart from the educational curriculum, the School has facilities for a variety of games like Carrom, Chess, Table Tennis, Acrobatics, Badminton, Handball, Cricket, Athletics and Yoga. The School also conducts co-curricular activities like Paper Recycling, Ornament Making. Origami, Pottery, Wood- Work, Wall Magazine, Eco Club, It Club, Science Club, Art, Craft, Disaster Management, Clay- Modelling, Dance (Classical and Folk), Vocal And Instrumental Music, Salads And Health- Food Displays. Besides, there are also a host of literary activities like Oratory Skills (Hindi and English), Creative Writing, Group Discussions, Quiz, Dramatics, Math Lab Activities and Nature Walks.

The School has been sweeping most of the inter-school awards in sports, music and arts and set to become amongst the most popular schools in the Union Territory.

Socio-Economic Score Card

1. Provision of Dialysis Center with all equipment to Shri Vinoba Bhave Civil Hospital worth ₹ 1.5 crores.
2. Provision of Uniforms & P.C. Sets to the School children worth ₹ 1.5 lakh.
3. Distribution of Saris & Children wears to the patients in Vinoba Bhave Civil Hospital worth ₹ 1.5 lakh.
4. Donation of 655 units of blood to the Indian Red Cross Society by organising Blood Donation Camps in its premises.
5. Promotion of Sports - ₹ 72,000.
6. Promotion of Culture - ₹ 11 lakh.
7. Promotion of religious activities - ₹ 13.72 lakh.
8. Relief to Flood effected areas - ₹ 3.15 lakh.
9. Organizing Mass marriages - ₹ 25,000.
10. Deputation of Fire tenders to needy civilians and industrial units in and around Silvassa. In many incidents, our Fire tenders are the first to reach the affected site to control the fire.
11. Training and empowering over thousands of local tribal women in the art of stitching and employing them in our Garment Unit thereby improving the economic condition of the tribals.
12. Beautification of Silvassa by sponsoring for gardens & fountains at prominent locations. Planted more than one lac trees at a cost of ₹ 30 lakh.
13. Managing the ITI Agasi Institute under PPP (Public Private Partnership) for Skill Development and Employability of Rural Youth in the surrounding Industries to promote employment of skilled and trained people.
14. Contributing Flood Relief Kit for Valsad, Flood Victim through VIA (Vapi Industrial Association) under the guidance of District Collector, Valsad, Gujarat.
15. Online Registration for Aadhar Card At Factory Premises in association with Grampanchayat Balitha.
16. Educational workshop on HIV / AIDS conducted in association with Valsad Blood Bank Vapi and Gujarat State Aid control Society at Balitha.
17. Imparting training for unemployed villagers interested in developing their skill in tailoring and trained them for employment in the surrounding industries.
18. Adopted Anganwadi under Government of Gujarat Scheme to fight and abolish malnutrition in backward areas of Valsad district (Project HUM).
19. Kits distributed to new students on the first day of joining school in the Grampanchayats of Balitha, Morai and Vatar

For Corporate Social Activities undertaken consistently over the years, Alok has been awarded a certificate of appreciation by the government of Dadra & Nagar Haveli, Silvassa for outstanding Corporate Social Responsibility work in the field of development of infrastructure & improvement in the living conditions of the people of Silvassa.

Risks & Risk Mitigation

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

Raw Materials

Raw Material cost being almost 57% of the Company's total revenue, our textile manufacturing business and operations are significantly dependent on the timely availability and price of raw materials used in our production process. The primary raw material for our textile operations is cotton, PTA and MEG.

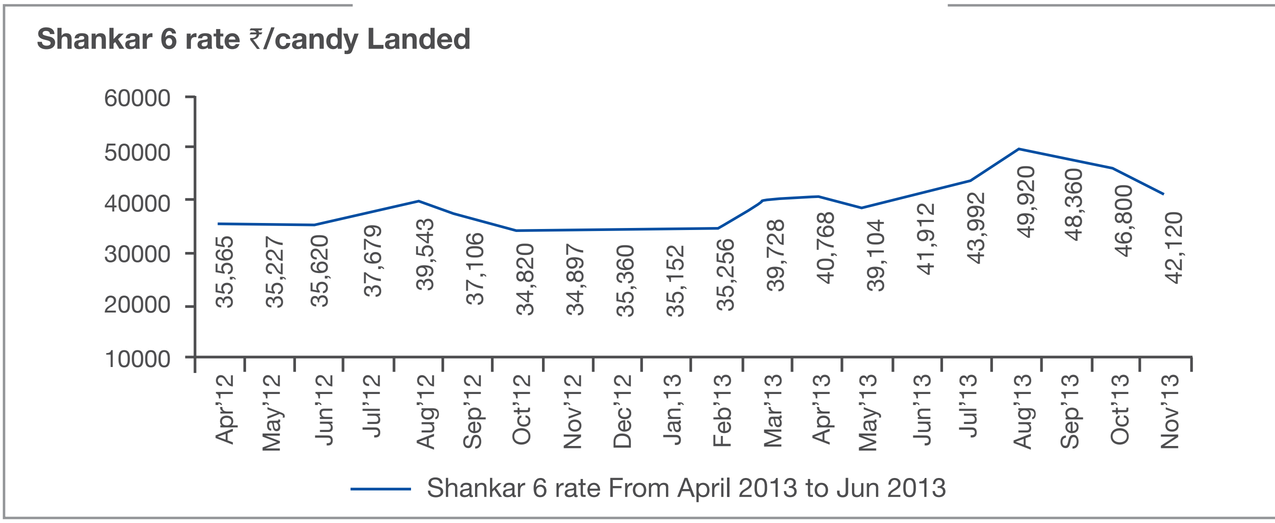
Cotton

Cotton and Cotton related business constitute about 75% of Alok's overall business. Cotton being an agricultural commodity, its price fluctuates due to various factors, including the changing weather conditions which can influence industry profitability.

Currently, we obtain nearly all of our cotton requirements in the spot markets, known as "mandis" located primarily in the States of Gujarat, Maharashtra and Andhra Pradesh, and from certain cotton ginning units and stockists, such as the Cotton Corporation of India Limited. Apart from cotton obtained from India, we also import cotton from various locations based on specific customer requirements.

The movement of cotton prices over the last 20 months from April 2012 to November 2013 is given in chart T below:

Chart T: Prices of Shankar 6 variety of Cotton (₹ / Candy)



The raw cotton prices have increased by about 20% between April 2012 to November 2013 from ₹ 35,500 per candy (356 kgs) to ₹ 42,200 per candy. Given the estimates of good crop with in the country and globally, cotton prices are likely to remain soft in the near future.

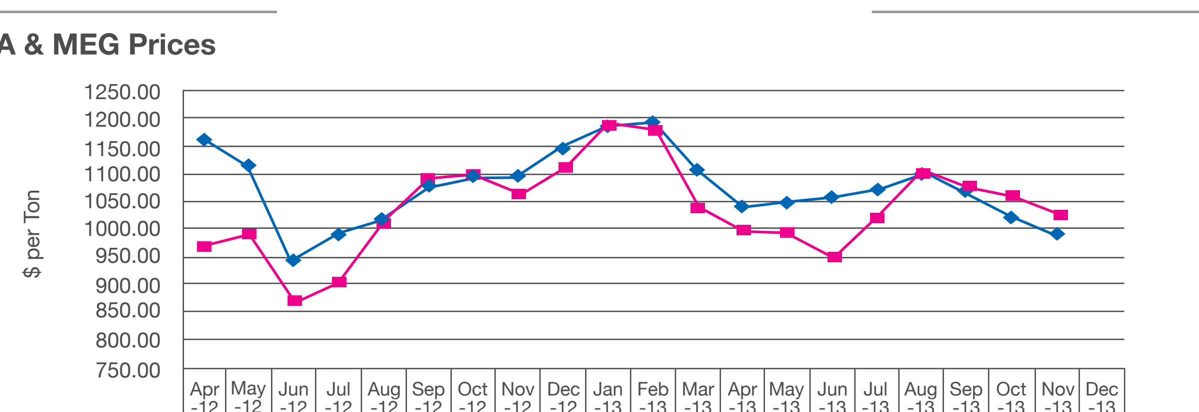
Looking at the volatility in the cotton prices, the company endeavours and maintains a cotton inventory of about 3-4 months in line with its order book.

PTA and MEG

For our polyester operations, PTA and MEG are the major raw materials that are required in manufacturing POY and polyester yarn, which are procured on spot basis. PTA and MEG are procured domestically as well as imported from the Middle East and Korea. Being petrochemical products, prices of PTA and MEG are linked to naptha prices and ethylene prices, respectively, and fluctuate in line with fluctuations in the crude oil prices. Chart U gives the fluctuations in the prices of PTA & MEG.

We generally do not enter into long-term contracts with fixed prices for the supply of such raw materials. While we have not experienced any significant disruptions to our operations due to the shortage in the supply of raw materials, the absence of an assured supply of raw materials or protection against an increase in the price of the raw materials may adversely affect our business and results of operations. Any increase in the prices of our raw materials may have an adverse effect on our business operations, particularly if we are unable to proportionately increase the sale price of our products and pass the increased cost on to our customers.

Chart U: PTA & MEG Prices



	Apr -12	May -12	Jun -12	Jul -12	Aug -12	Sep -12	Oct -12	Nov -12	Dec -12	Jan -13	Feb -13	Mar -13	Apr -13	May -13	Jun -13	Jul -13	Aug -13	Sep -13	Oct -13	Nov -13	Dec -13
PTA	115	111	941	989	101	107	109	109	114	118	119	110	103	104	105	106	109	106	102	990	
MEG	966	988	870	901	101	109	109	106	110	118	117	103	996	991	948	101	110	107	105	102	

The prices of PTA and MEG are subject to the movement in the price of the crude and demand – supply gap. The prices of these commodities accordingly had fluctuated during the 18 months period ended September 2013 averagely 8%-9%. In November 2013, however the prices of these commodities stabilized at around USD 1000- 1025 per ton.

In case of Polyester business too, Alok keeps its inventory level in line with its order book.

Power & Fuel

Power & Fuel cost being 5.7% of our revenue, constitutes a major manufacturing cost in production of Textiles. Any increase in these costs, therefore has an adverse impact on Alok's profitability.

Our operations entail significant consumption of electrical power and gas as a fuel therefore adequate and cost effective supply of electrical power is critical for our operations. We source a major portion of our power requirements from the relevant State Electricity Board at Vapi & Silvassa. We also have captive power plants at Vapi and Silvassa which provide us with part of our energy requirements for our manufacturing facilities and also serves as our back-up electricity supply. Operation of these power plants entails certain risks associated with typical power plant operation, including, but not limited to, industrial accidents such as explosions or fire damage. The occurrence of any industrial accidents could damage the power plant and interrupt our power supply for our manufacturing operations, which could adversely affect our business and results of operations. The supply of gas to our Silvassa and Vapi plants are on a contractual basis. These are vulnerable to be discontinued due to explosions or fire damage at the source or anywhere while in transit or at the point of reception. These supplies also carry a 'take or pay' clause that may entail financial implications in case the contracted quantity is not consumed.

There can be no assurance that electricity supplied by our existing captive power plants and third party sources as also the gas will be sufficient to meet our requirements or that we will be able to procure adequate and interrupted power supply in the future at a reasonable cost. Further, if the per unit cost of electricity is increased by the state electricity boards and / or the cost of gas is increased by the service providers, our power costs will increase and it may not be possible to pass on any increase in our power costs to our customers, which may adversely affect our profit margins.

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

Alok has already shifted to coal as a fuel base at Vapi thereby reducing dependence on gas and consequently reducing the fuel cost substantially. Medium to long term contracts have been drawn out for supply of coal thereby insulating against volatile price increases. We are also exploring possibilities to shift the fuel base from gas to coal at Silvassa. In the meantime, we have already made a request for lowering the gas quantity since the 220 KVA sub-station stands commissioned.

Markets

The export destinations for the Company are USA (40%), Asia (22 %), Europe (15%) and Latin America (11%). Some portion of the products exported to Asian Countries gets redirected to America and Europe. Accordingly, we are prone to any fluctuations in the demand of textile products manufactured by us in the United States and Europe. The textiles market in the United States and Europe may be affected by a number of factors outside our control, including local and economic conditions, changes in demand and supply for products we develop, or comparable to those that we develop, and changes in government regulations. Any adverse change in the demand for our products in these countries may have a negative impact on our business, financial condition and results of operations.

The Company has been active in exploring other geographies like Middle East, Central and South America and Asia.

The Indian Textile Industry is comprised of 2/3rd domestic and 1/3rd export markets. The Company's break down of revenues is also rather similar. Domestically, textiles and clothing tend to move in tandem with the GDP growth. Any slowdown therefore in GDP growth and domestic demand may adversely impact domestic sales. The Indian Textile and Apparel market is expected to grow to about USD 185 billion by 2020 (USD 120 billion domestic and USD 65 billion exports). The Company is well entrenched to capitalize on this huge growth prospect.

Financial Risk

As of September 30, 2013, we had a total outstanding debt of ₹ 16,118 crores, on a standalone basis and ₹ 20,020 crores, on a consolidated basis.

In addition, we may incur additional indebtedness in the future to meet working capital or other requirements. The high level of our indebtedness could have several important consequences, including but not limited to the following:

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

Our Company is vertically integrated both in its cotton and polyester business, as a result, we require substantial amounts of working capital for our business operations vis-à-vis a non-integrated player. Also, given the nature of our business, our Company supplies products to a majority of its customers within defined credit periods, which could in turn affect our working capital requirements. We require significant capital to expand, maintain and operate our manufacturing facilities.

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

Currency Risk

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

In addition, the Company has some portion of its total borrowings in foreign currency both at Standalone as well as consolidated basis. Depreciation of the Indian rupee against the U.S. dollar and other foreign currencies may adversely affect our results of operations by increasing the cost of financing any debt denominated in foreign currency or any proposed capital expenditure in foreign currencies. Appreciation of the Indian rupee, on the other hand, may cause our export products to be less competitive by raising our prices in terms of such other currencies, or alternatively require us to reduce the Indian rupee price we charge for export sales, either of which effects could adversely affect our profitability, as approximately 26% of our revenue is derived from our exports.

During the 18 months period ended September 2013, rupee depreciated sharply (20%) vis-a-vis USD, as a result the Company had MTM of ₹ 317.39 crores on account of foreign currency fluctuation / derivatives.

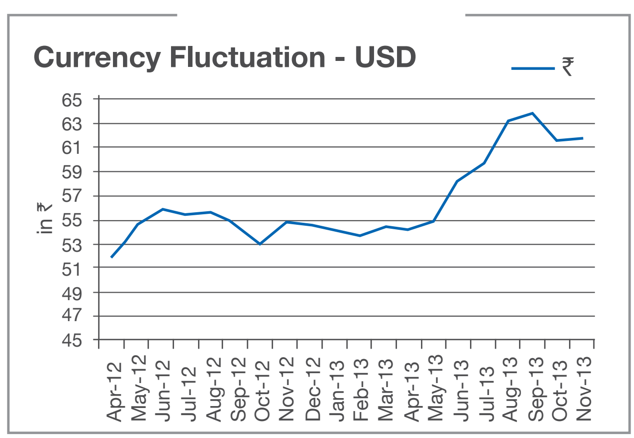
Changes in interest rates could also significantly affect our financial condition and results of operations. As of 30 September 2013, most of our borrowings are at floating rates of interest. If the

interest rates for our existing or future borrowings increase significantly, our cost of funds will increase thereby affecting our planned capital expenditures, cash flows and result of operations. Although we enter into hedging transactions to minimize our currency exchange and interest rate risks, there can be no assurance that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian rupee against the U.S. dollar or other relevant foreign currencies or protect us from losses due to the fluctuations in interest rates.

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

The depreciation of Indian rupee vis-à-vis USD is given in Chart V

Chart V: Depreciation of Indian Rupee vis-à-vis USD



Information Technology Risk

Business and production processes, internal and external communications, controls, reporting and relations with customers and suppliers are increasingly dependent on information technology systems. Major disruptions or failure of business systems may result in loss of data and/or impairment of business and production processes.

We have defined suitable actions for risk avoidance and limitation of damage, and continually adapt these actions to changing circumstances. This comprises redundant structures of technical components, networks and sites, as well as suitable, tested contingency measures. For example, the Group minimises potential interruptions of operating routines in the data centres by means of mirrored data sets, decentralized data storage, outsourced archiving, high-availability computers and appropriate emergency plans. Thus we ensure the necessary availability of business-critical application systems and access to business-relevant data. Globally valid security guidelines are in place. They include appropriate organizational and technical precautions for access control, access rights, virus protection and data protection.

Principal potential causes

- Loss of wide area of communications
- Effects of computer virus/spam
- Loss of operations in the data centre due to core hardware failure, power/air conditioning failures.

Potential impact on Group

- Loss or delay in sales or cash collections and/or inability to pay suppliers or staff
- Unable to be ship/transfer goods
- Delays in meeting statutory or internal reporting requirements
- Loss of telephony or e-mail systems
- Loss of data

Principal controls in place to address risk

- All critical systems have secure back-up systems and disaster recovery plans
- SAP, the most critical business application, has full back-up designs with dual-site hosting. Application and database are hosted on robust server/storage landscape with adequate redundancy.
- Comprehensive anti-virus protection in place group-wide
- Back-up communication links in place for major sites
- Strict security standards and firewall protection for external links.

  Based on the measures taken, we assume that the likelihood of a serious IT risk occurring is low.

Asset Protection Risk

Our insurance policies consist of a comprehensive coverage for risks relating to our operations. While we believe the amount of our insurance coverage is adequate, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time.

Our insurance may not be adequate to fully cover potential hazards or we may not be able to renew our insurance on commercially reasonable terms, or at all. Therefore, any losses or damages could have a material adverse effect on our business and cash flows.

We may also face the risk of incurring additional costs for any damage where our insurance coverage is ultimately inadequate to cover such damages. In addition, any inability of our insurers to meet their commitments in a timely manner and the effect of significant claims or litigation against insurance companies may subject us to additional risks.

Notwithstanding the insurance coverage that we carry, we may not be fully insured against some business risks. There are many events that could significantly impact our operations, or expose us to third party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, financial condition and results of operations could be adversely affected.

The Company's has a sound philosophy as regards insurance coverage for its assets and has a comprehensive network of insurance companies, advisors and brokers to advice on the extent and adequacy of insurance.

Human Resource Management

One of the major reasons for the sustained success of Alok Industries is our focus on the Management of Human Resources. Everyone in the top management is convinced that our employees are the most valuable asset in the organisation. They fully recognise the fact that with a well-motivated and energised work force, nothing is impossible.

The backbone of our entire HR is the culture of meritocracy. We have a very robust Performance Management system, which identifies and rewards exemplary performance and fast tracks high performers. The system also helps in analysing the skill gaps in employees and addressing these gaps effectively through well designed training programs, both in-house and in reputed institutes.

The foundation of our HR starts right from our scientific recruitment methodology and our design of remuneration and promotion policies. We have a sustained recruitment of fresh talent from the leading Textile institutes of the country and we are very proud of the fact that in almost all of them, we are Number One in their list of preferred employers. A very high proportion of these fresh recruits has stayed with us for long periods and has grown with the organisation. Our remuneration package also has a large in-built flexibility to suit individual needs and preferences. There is a constant drive to keep the motivation levels of employees very high. We are constantly striving to engage our employees and let them take part in all operating decisions. The feeling of ownership in our staff has been the main reason for our success in keeping our attrition rates one of the lowest in the industry.

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

Internal Controls

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

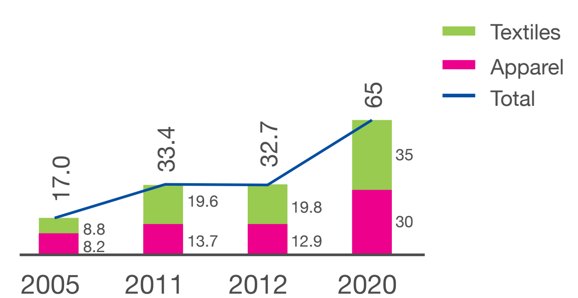
Significant observations made by the internal audit team and external audit firms and follow up actions are reported to the Audit Committee, which then reviews the effectiveness of the Company's internal control systems and tracks the implementation of audit recommendations.

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

Outlook

- In the near term one expects pressure from markets across the world. Slowdown in the developed and the developing world has badly affected sentiments globally and demand will take some time before returning to its old growth path.
- Global Textile Trade is expected to grow to US$ 920 billion bn in 2017 from US$ 696 billion in 2012 at a CAGR of ~ 5%.
- Table W gives the exports of Textiles & Apparels (T&A) and growth estimates from India

Chart W: T&A Exports of India (US$ bn)



Key Opportunities for Indian Textile & Apparel Industry

The following are the key opportunities for the Indian textile and apparel industry going forward:

- Growing Export Market opportunity
    - o With increasing costs in China and growing compliance issues in Bangladesh, the global buying community has increased its focus on sourcing from India. This augurs well for the Indian textile and apparel exports and presents good opportunity for future.
    - o Markets like Brazil, Russia, Turkey, Poland, Chile, China, Australia etc. have increased their imports in the recent past and become attractive markets for India's textile and apparel exports.
- Market Growth potential due to Free Trade Agreements
    - o India's free trade agreement with Japan offers very good opportunity to tap the large Japanese market for apparel in the coming years.
    - o Further proposed trade agreement with EU, if fructified, will give India competitive advantage in exports to EU and boost India's exports.

Indian Textile & Apparel Trade is expected to grow to USD 65 billion by 2020 from present USD 32 billion as shown in Chart X.

Chart X: T&A Exports of India (US$ bn)

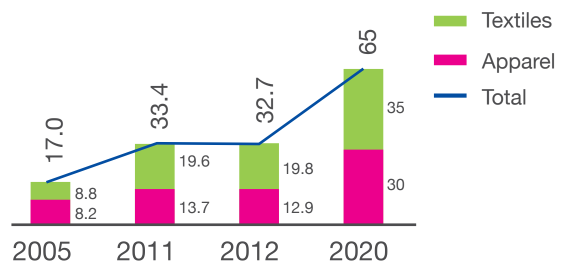
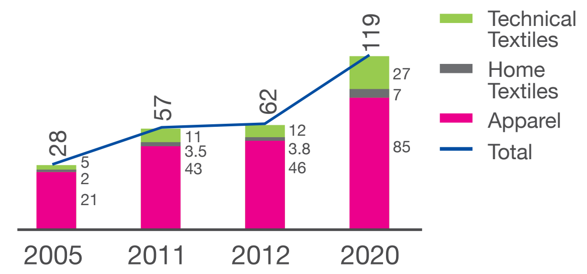


Chart Y: Indian T&A Domestic Market Size (US$ bn)



- Growing Domestic Market
  - The domestic market continues to offer huge opportunity to the Indian textile and apparel industry. With growing urbanization and increasing size of the organized market the scope for good quality apparel has increased. Several foreign brands/ retailers have entered India in the last decade or so and many more are expected to enter in future given the relaxation of FDI policies for single brand retail. This will further boost demand for Indian textiles amongst the brands entering India.
  - The domestic market is also very promising for home textile categories like Bed linen, bath linen, furnishing etc. since with increasing urbanization and modernization of Indian households and corporates, the demand for good quality home furnishing has also increased and further demand for home furnishing will continue to grow.
  - The domestic market is expected to grow at a CAGR of 8% from present USD 62 billion to USD 119 billon by 2020 as shown in Chart Y.

Risks and Threats

The key risks and threats for Indian T&A exports are the following:

- Fluctuation in currency exchange rate: currently the Indian currency depreciation against the US dollar has served as a significant boost for exports, however in future there is a risk of Indian currency appreciating and impacting exports
- Increasing competition from countries like Vietnam, Sri Lanka which have increased their exports to US in 2012 by 6% each when other countries showed decline.
- Increasing costs: the increasing costs of raw material, labour and manufacturing in India may also have an impact on India's exports in future.
- Trade Agreements like Trans Pacific Partnership, CAFTA, GSP, etc. favouring other countries to export to US or EU without trade barriers are also a threat to India's exports.

Report on Corporate Governance

Report on Corporate Governance

Company's philosophy on Corporate Governance

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

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

Board of Directors

Composition of the Board

As on September 30, 2013 the Company's Board comprises of 12 directors. The Board has five Executive Directors, of which the Executive Chairman, Managing Director and Joint Managing Director are also promoter Directors. In addition, the Board has seven non-executive Directors, consisting of four independent Directors who are nominees of various financial institutions and three independent Directors. 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 six times during the period from April 1, 2012 to September 30, 2013 on May 18, 2012, August 13, 2012, November 10, 2012, February 13, 2013, May 29, 2013 and August 13, 2013. The maximum gap between any two meetings was less than 4 months.

Directors' attendance record and Directorship held

Table 1: Composition of the Board of Directors for the period ended April 1, 2012 to September 30, 2013.

Name of the Directors	Category	Attendance Particulars			No. of other Directorships and Committee membership / Chairmanships in other Indian public companies		
		Number of Board Meetings		Last AGM	Other Directorships	Committee	
		Held	Attended			Memberships	Chairmanships
1. Mr. Ashok B. Jiwrajka (Executive Chairman)	Promoter, Executive	6	4	No	11	-	-
2. Mr. Dilip B. Jiwrajka (Managing Director)	Promoter, Executive	6	6	Yes	12	-	-
3. Mr. Surendra B. Jiwrajka (Joint Managing Director)	Promoter, Executive	6	4	No	12	-	-
4. Mr. Chandrakumar Bubna[1]	Executive	6	1	No	-	-	-
5. Mr. Ashok G. Rajani	Independent	6	5	No	-	-	-
6. Mr. K. R. Modi	Independent	6	4	Yes	1	2	-

Name of the Directors	Category	Attendance Particulars			No. of other Directorships and Committee membership / Chairmanships in other Indian public companies		
		Number of Board Meetings		Last AGM	Other Directorships	Committee	
		Held	Attended			Memberships	Chairmanships
7. Mrs. Thankom T. Mathew (Nominee of Life Insurance Corporation of India.)	Independent	6	5	No	-	-	-
8. Mr. David Rasquinha[2] (Nominee of Export Import Bank of India)	Independent	3	3	No	3	-	-
9. Mr. Timothy Ingram	Independent	6	3	Yes	-	-	-
10. Mr. M.V. Muthu (Nominee of IFCI Ltd)	Independent	6	6	Yes	1	1	-
11. Ms. Maya Chakravorty[3] (Nominee of IDBI Bank Limited)	Independent	5	3	No	-	-	-
12. Mr. J. Samuel Joseph[2]	Independent	3	3	-	2	2	-
13. Mr. Sunil O. Khandelwal[4]	CFO, Executive	4	4	-	-	-	-
14. Mr. K. H. Gopal[5]	Secretary, Executive	3	3	-	-	-	-
15. Ms. Lalita Sharma[3] (Nominee of IDBI Bank Limited)	Independent	1	1	-	-	-	-

Note:

1. Mr. Chandrakumr Bubna, has voluntarily step down from the Board due to health reasons, w.e.f. September 30, 2013.
2. Nomination of Mr. David Rasquinha was withdrawn by Export-Import Bank w.e.f January 3, 2013 and in his place Mr. J. Samuel Joseph was appointed.
3. Nomination of Ms. Maya Chakravorty was withdrawn by IDBI Bank Limited w.e.f June 29, 2013 and in her place Ms. Lalita Sharma was appointed.
4. Mr. Sunil O. Khandelwal has been inducted as an Executive Director & Chief Financial Officer of the Company for a period of 5 years w.e.f. November 10, 2012
5. Mr. K. H. Gopal has been inducted as an Executive Director & Company Secretary of the Company for a period of 5 years w.e.f. November 10, 2012.

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, and commission, 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 28 of 'Notes forming part of the Accounts' annexed to the financial statements of the period. There has been no materially relevant pecuniary transaction or relationship between Alok and its non-executive and/or independent Directors during the period April 1, 2012 to September 30, 2013.

Note:

The Company had sales transactions aggregating to ₹ 10.44 crores (previous year ₹ 2.14 crores) and a subsidiary of the Company had purchase transaction aggregating to ₹ Nil (previous year ₹ 0.83 crores) with entities 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 independent director.

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

Committees of the Board

a) Audit Committee

As on September 30, 2013, Alok's Audit Committee consisted of Mr. M.V. Muthu (Chairman of the

Committee), Mr. Ashok G. Rajani, Mr. K. R. Modi, Mr. Samuel Joseph and Mr. Dilip B. Jiwrajka. All the 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 August 14, 2012.

The Committee met six times during the period from April 1, 2012 to September 30, 2013 on May 18, 2012, August 13, 2012, November 10, 2012, February 13, 2013, May 29, 2013 and August 13, 2013. Table 2 gives attendance record.

Table 2: Attendance record of Company's Audit Committee

Name of the Member	Position	Status	Audit Committee Meetings Held	Meetings Attended
Mr. M.V. Muthu	Chairman of the Committee	Independent Director	6	6
Mr. David Rasquinha1	Member	Independent Director	3	3
Mr. J. Samuel Joseph1	Member	Independent Director	2	2
Mr.Ashok Rajani	Member	Independent Director	6	5
Mr.K R Modi	Member	Independent Director	6	4
Mr.Dilip B. Jiwrajka	Member	Promoter, Executive Director	6	6

[1.] Nomination of Mr. David Rasquinha was withdrawn by Export-Import Bank w.e.f January 3, 2013 and in his place Mr. J. Samuel Joseph was appointed. Mr. J. Samuel Joseph was appointed as member of the Committee w.e.f. May 29, 2013.

Notes:

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

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
2. 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:

    a) Investigate any activity within its terms of reference and to seek any information it requires from any employee.

    b) Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

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

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

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

    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) Share Transfer and /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. As on September 30, 2013, the Committee comprises of Mr. Ashok. G. Rajani, (Chairman of the Committee), Mr. Dilip B. Jiwrajka, Mr. Surendra B. Jiwrajka and Mr. Ashok B. Jiwrajka.

The Committee met 9 times during the course of the period from April 1, 2012 to September 30, 2013 on May 21, 2012, June 11, 2012, June 30, 2012, September 20, 2012, October 20, 2012, October 29, 2012, December 10, 2012, March 25, 2013 and June 17, 2013 . Table 3 gives the details of attendance record.

Table 3: Attendance record of Shareholders'/ Investors' Grievances Committee for period – April 1, 2012 to September 30, 2013 .

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. Ashok G. Rajani	Chairman of the Committee	Independent	9	9
Mr. Dilip B. Jiwrajka	Member	Promoter, Executive	9	9
Mr. Surendra B. Jiwrajka	Member	Promoter, Executive	9	9
Mr. Ashok B. Jiwrajka	Member	Promoter, Executive	9	9

Terms of Appointment of Whole- time Directors

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

Name of the Directors	Contract Period	Notice period for termination of contract	Fixed Salary	Commission
Mr. Ashok B. Jiwrajka	March 10, 2008 to March 9, 2013 and March 10, 2013 to March 9, 2018	Six calendar months notice, in writing to the Board of Directors of the Company	₹ 15,00,000/- per month	Restricted to 1% of the net profit of the Company
Mr. Dilip B. Jiwrajka	March 10, 2008 to March 9, 2013 and March 10, 2013 to March 9, 2018	Six calendar months notice, in writing to the Board of Directors of the Company	₹ 15,00,000/- per month	Restricted to 1% of the net profit of the Company
Mr. Surendra B. Jiwrajka	March 10, 2008 to March 9, 2013 and March 10, 2013 to March 9, 2018	Six calendar months notice, in writing to the Board of Directors of the Company	₹ 15,00,000/- per month	Restricted to 1% of the net profit of the Company
Mr. Chandrakumar Bubna	May 1, 2009 to April 30, 2014	Six calendar months notice, in writing to the Board of Directors of the Company	₹ 15,00,000/- per month	Restricted to 1% of the net profit of the Company
Mr. Sunil O. Khandelwal	November 10, 2012 to November 9, 2017	Six calendar months' notice, in writing to the Board of Directors of the Company	₹ 7,67,532/- per month upto March 31, 2013 ₹ 10,21,154/- per month w.e.f. April 1, 2013	N.A.
Mr. K. H Gopal	November 10, 2012 to November 9, 2017	Six calendar months' notice, in writing to the Board of Directors of the Company	₹ 7,42,282/- per month upto March 31, 2013 ₹ 9,91,050/- per month w.e.f. April 1, 2013	N.A.

c) **Remuneration Committee**

Alok's Remuneration Committee is responsible for recommending the fixation and periodic revision of remunerations of the Managing Director, Executive Directors and senior employees. This is done after reviewing their performance based on predetermined evaluation parameters and the Company's policy of rewarding achievements and performance. Remuneration Committee comprises of three Non-Executive Directors and one Executive Director viz. Mr. Timothy Ingram, Mr. Ashok G. Rajani, Mr. M.V. Muthu and Mr. Dilip B. Jiwrajka. The Chairman of the Committee is an Independent Director. The Committee met four times during the period from April 1, 2012 to September 30, 2013 on May 18, 2012, November 10, 2012, September 3, 2013 and September 28, 2013.

The Committee has been constituted to administer Alok ESOS 2010. Table 3A gives attendance of each member at the Committee meeting held during the period from April 1, 2012 to September 30, 2013.

Table 3A: Attendance record of Remuneration Committee for the period from April 1, 2012 to September 30, 2013

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. Timothy Ingram	Chairman of the Committee	Independent	4	-
Mr. M.V. Muthu	Member	Independent	4	4
Mr. Ashok G. Rajani	Member	Independent	4	3
Mr. Dilip B. Jiwrajka	Member	Promoter, Executive	4	4

On April 20, 2011 the Committee granted 1,280,000 options at an exercise price of ₹ 18.90 and 9,519,250 options at an exercise price of ₹ 21.42. 185,550 options from Grant 1 and 18,000 options from Grant 2 were surrendered due to separations during the year. Options were granted on April 20, 2011 and vest over a period of 2 years, 50% at end of one year from date of grant and balance at the end of 2nd year from the date of Grant. Each option represents a right but not obligation to apply for 1 fully paid equity share of ₹ 10/-. Disclosure as required by SEBI guidelines on ESOS is annexed to the Directors' report.

On September 28, 2013 the Committee granted 2,30,44,650 options under Grant 3 at an exercise price of ₹ 10 each. All outstanding Options granted under Grant 1 and Grant 2 are voluntarily surrendered by Employees. The above options vests for an year i.e. upto September 28, 2014 and can be exercised by the Employees upto September 28, 2016. Each option represents a right but not obligation to apply for 1 fully paid equity share of ₹ 10/-. Disclosure as required by SEBI guidelines on ESOS is annexed to the Directors' report.

Remuneration paid to Directors

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

Table 4: Details of remuneration paid to Directors for the period from April 1, 2012 to September 30, 2013.

Name of the Director	Sitting Fees [2]	Salary and Perquisites	Provident & Superannuation Funds	Commission [3]	Total
					In ₹
Mr. Ashok B. Jiwrajka	-	2,70,00,000	-	1,87,50,000	4,57,50,000
Mr. Dilip B. Jiwrajka	-	2,70,00,000	-	1,87,50,000	4,57,50,000
Mr. Surendra B. Jiwrajka	-	2,70,00,000	-	1,87,50,000	4,57,50,000
Mr. Chandrakumar Bubna	-	2,70,00,000	-	1,87,50,000	4,57,50,000
Mr. Ashok G. Rajani	1,00,000				1,00,000
Mr. K. R. Modi	80,000				80,000
Mrs. Thankom T. Mathew (Nominee of Life Insurance Corporation of India) [4]	1,00,000				1,00,000
Mr. David Rasquinha (Nominee of Export Import Bank of India) [4 & 5]	60,000				60,000
Mr. Timothy Ingram	60,000				60,000
Mr. M.V.Muthu (Nominee of IFCI Limited) [4]	1,20,000				1,20,000
Ms. Maya Chakravorty (Nominee of IDBI Bank Limited) [4 & 8]	60,000				60,000
Mr. J Samuel Joseph [4 & 5] (Nominee of Export Import Bank of India)	60,000				60,000
Mr. Sunil O. Khandelwal [6]	-	1,19,83,642	49,920	-	1,20,33,562
Mr. K. H. Gopal [7]	-	1,16,82,793	43,490	-	1,17,26,283
Ms. Lalita Sharma (Nominee of IDBI Bank Limited)[8]	20,000				20,000

Notes:

1. None of the Directors are related to each other, except Mr. Ashok B. Jiwrajka, Mr. Dilip B. Jiwrajka and Mr. Surendra B. Jiwrajka, who are brothers.
2. Sitting fees to non-executive directors include payment for Board-level committee meetings.
3. Commission payable to the executive directors, is linked to the net profit of the Company and therefore considered as performance linked incentive.
4. Sitting fees of nominee Director Mr. M.V. Muthu is paid in his name. In the case of the other nominee Directors, the sitting fees are paid to the financial institution they represent.
5. Nomination of Mr. David Rasquinha was withdrawn by Export-Import Bank w.e.f January 3, 2013 and in his place Mr. J. Samuel Joseph was appointed from that date.

6. Mr. Sunil O. Khandelwal has been inducted as an Executive Director & Chief Financial Officer of the Company for a period of 5 years w.e.f. November 10, 2012
7. Mr. K. H. Gopal has been inducted as an Executive Director & Company Secretary of the Company for a period of 5 years w.e.f. November 10, 2012.
8. Nomination of Ms. Maya Chakravorty was withdrawn by IDBI Bank Limited w.e.f June 29, 2013 and in her place Mrs. Lalita Sharma was appointed from that date.

d) Executive Committee

The Board of Directors have delegated the authority to supervise and monitor the day-to-day activities of the company to an Executive Committee. The committee comprises of Mr. Ashok B. Jiwrajka, Mr. Dilip B. Jiwrajka and Mr. Surendra B. Jiwrajka. This Committee met 89 times during the period from April 1, 2012 to September 30, 2013. The details of business transacted by the Committee are placed before the Board of Directors at the next meeting and are ratified by the Board after due discussion.

e) Rights Issue Committee

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

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

The Committee met three times during the period from April 1, 2012 to September 30, 2013 on September 26, 2012, March 20, 2013 and May 8, 2013. Table 5 gives the details of attendance

Table 5: Attendance record of Rights Issue Committee for the period from April 1, 2012 to September 30, 2013

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. Dilip B. Jiwrajka	Chairman of the Committee	Promoter, Executive	3	3
Mr. Surendra B. Jiwrajka	Member	Promoter, Executive	3	3
Mr. Ashok Rajani	Member	Independent	3	3
Mr. K. R. Modi	Member	Independent	3	1
Mr. M. V. Muthu	Member	Independent	3	1

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 September 30, 2013, Mr. Ashok G. Rajani, independent Director holds 100 equity shares of the Company, Mr. K. R. Modi, independent Director holds 5,612 equity shares of the Company and Mr. J. Samuel Joseph, nominee Director (EXIM Bank) holds 20,000 equity shares of the Company . No other non-executive Director holds any equity shares in Alok Industries Limited.

As on September 30, 2013, 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, Executive Director & Secretary, is the Compliance Officer.

CEO/ CFO certification

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

Shareholders

Reappointment/Appointment of Directors

As per the requirements of Section 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 Surendra B. Jiwrajka and Mr. Ashok G. Rajani shall retire and shall seek re-appointment in the ensuing Annual General Meeting of the Company.

Details of directors seeking re-appointment.

Mr. Surendra B. Jiwrajka,- 55 years,

He is the Joint Managing Director of our Company. He completed his schooling and college from Mumbai. Immediately after his graduation, he joined the family partnership firm and subsequently incorporated Alok Industries Limited in 1986. Mr. Jiwrajka has been a Director on the Board of our Company since its incorporation and has over two decades of experience in the Textile Industry. His functions as the joint managing director include envisioning our Company's growth strategy, overseeing the manufacturing, marketing functions of the polyester and spinning businesses and project implementation of our Company.

Other Directorships	1. Alok Knit Exports Private Limited 2. Alspun Infrastructure Limited 3. Alok Infrastructure Limited 4. Alok Denims (India) Limited 5. Kesham Developers & Infotech Private Limited (Under Liquidation) 6. Springdale Information & Technologies Private Limited (Under Liquidation) 7. Aurangabad Textiles & Apparel Parks Limited 8. Ashford Infotech Private Limited 9. Alok Industries International Ltd. 10. Grabal Alok International Ltd. 11. Grabal Alok UK Limited 12. Alok Singapore Pte. Ltd. 13. Alok International (Middle East) FZE 14. Triumphant Victory Holdings Limited
Other Committee Memberships	NIL
Number of shares held in the Company	36114871

Mr. Ashok G. Rajani, 63 years	
He is a B.Com Graduate. He is the Founder Chairman of the M/s Midas Touch Group and Midas Touch Apparel Private Limited, an Indian garment exporting company. He is experienced in the field of garment manufacturing and exports and 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. He was the President of The Clothing Manufacturers Association of India and has also been on the Board of Governors of the National Institute of Fashion Technology.	
Other Directorships	1. Midas Touch Apparel Private Limited;
	2. Flair Apparel Industries Private Limited; and
	3. Vision Apparel Private Limited
Other Committee Memberships	NIL
Number of shares held in the Company	100

Means of Communication with Shareholders:

Alok Industries Ltd. puts forth key information about the Company and its performance, including quarterly results, official news releases, and presentations to analysts, on its website www.alokind.com regularly for the benefit of the public at large. During the period, the quarterly results of the company's performance have been published in leading newspapers such as 'Business Standard, 'The Economic Times' in English, all Mumbai editions and in 'Western Times', Gandhinagar edition and are also posted on its website. The audited financial results for the period ended September 30, 2013 were published in Business Standard, Mumbai and Western Times, Gandhinagar Edition. Hence, they are not separately sent to the shareholders. The Company, however, furnishes the quarterly results on receipt of a request from any shareholder.

Investor Grievance and Shareholder Redressal

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

General Body Meetings

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

Table 6: Details of last 3 Annual General Meetings

Financial year	Date	Time	Venue	Resolutions passed
2009-10	17-Sep-10	12.00 noon	17/5/1 & 521/1, Village Rakholi / Saily, Silvassa – 396230, Union Territory of Dadra and Nagar Haveli.	1. Authorising the Board to borrow money in excess of paid-up capital and free reserves of the Company. 2. Authorising the Board of Directors to create charge/ mortgage on the assets of the Company. 3. Increase of remuneration of a relative of Whole time Director of the Company.
2010-11	29-Sep-11	12.00 noon	17/5/1 & 521/1, Village Rakholi / Saily, Silvassa – 396230, Union Territory of Dadra and Nagar Haveli.	1. Authorising the Board to borrow money in excess of paid-up capital and free reserves of the Company. 2. Authorising the Board of Directors to create charge/ mortgage on the assets of the Company.
2011-12	14-Aug-12	12.00 noon	17/5/1 & 521/1, Village Rakholi / Saily, Silvassa – 396230, Union Territory of Dadra and Nagar Haveli.	1. Extend the benefits of company's employee stock option scheme, 2010 to the employees and directors of the subsidiary companies 2. Appointment of Mr. Varun S. Jiwrajka and Mr. Niraj D. Jiwrajka, a relative of three whole time directors of the company to hold office of profit under the company 3. Increase in remuneration of Mr. Alok a. Jiwrajka, a relative of three whole time directors of the company who is holding office of profit under the company

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

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

POSTAL BALLOTS

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 the 18 months period ended 30th September 2013 are given below.

Purpose of the Resolutions

i. Ordinary Resolution Under Section 16, 94 of the Companies Act, 1956 for increase in the Authorized Share Capital of the Company from ₹ 1000 crore to ₹ 1500 crore and consequent alteration in the Memorandum of Association of the Company.

ii. Special Resolution Under Section 31 of the Companies Act, 1956 for alteration in Article 3 of the Articles of Association of the Company consequent to increase in Authorised Share Capital of the Company.

iii. Special Resolution Under Section 81 and 81(1A) of the Companies Act, 1956, for issue of Equity shares of the Company and/or other securities through QIPs/ADRs/GDRs/FCCBs/ and or any other securities compulsorily convertible into equity shares.

The procedure of the Postal Ballot adopted was as follows:

1. A Postal Ballot Notice dated 2 April 2012 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 7 May 2012.

A summary of the results is given below in Table 1

Table 1: Details of results of the Postal Ballot: announced on 7th May 2012

RESOLUTION NO:1 Ordinary Resolution Under Section 16, 94 and other applicable provisions of the Companies Act, 1956 for increase in the Authorized Share Capital of the Company from ₹ 1000 crore to ₹ 1500 crore and consequent alteration in Clause 5 of the Memorandum of Association of the Company.

Promoter/public	No. of ballots	No. of Shares held	No. of Votes Polled.	No. of Votes- in favour	No. of Votes- against	No. of votes - Neutral
Promoter and Promoter group	19	253621338	253621338	253621338	-	0
Public Institutional Holders	36	50646169	50646169	32677745	17968424	0
Public- Others	400	5271265	5271265	5247977	22460	828
Total	**455**	**309538772**	**309538772**	**291547060**	**17990884**	**828**

For resolution (No.1) votes cast in favour were 291547060 equity shares representing 94.19% and Dissent were 17990884 equity shares representing 5.81.

RESOLUTION NO:2 Special Resolution Under Section 31 of the Companies Act, 1956 for alteration in Article 3 of the Articles of Association of the Company consequent to increase in Authorised Share Capital of the Company

Promoter/public	No. of ballots	No. of Shares held	No. of Votes Polled.	No. of Votes- in favour	No. of Votes- against	No. of votes - Neutral
Promoter and Promoter group	19	253621338	253621338	253621338	-	0
Public Institutional Holders	36	50646169	50646169	32677745	17968424	0
Public- Others	400	5268015	5268015	5250377	16810	828
Total	**455**	**309535522**	**309535522**	**291549460**	**17985234**	**828**

For resolution (No.2) votes cast in favour were 291549460 equity shares representing 94.19% and Dissent were 17985234 equity shares representing 5.81%.

RESOLUTION NO:3 Special Resolution Under Section 81 and 81(1A) of the Companies Act, 1956, for issue of Equity shares of the Company and/or other securities through QIPs/ADRs/GDRs/FCCBs/ and or any other securities compulsorily convertible into equity shares.

Promoter/public	No. of ballots	No. of Shares held	No. of Votes Polled.	No. of Votes-in favour	No. of Votes-against	No. of votes - Neutral
Promoter and Promoter group	19	253621338	253621338	253621338	-	0
Public Institutional Holders	36	50646169	50646169	27497312	23148857	0
Public- Others	400	5268065	5268065	5250027	17210	828
Total	**455**	**309535572**	**309535572**	**286368677**	**23166067**	**828**

For resolution (No.3) votes cast in favour were 286368677 equity shares representing 92.52% and Dissent were 23166067 equity shares representing 7.48%.

The above three 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'.

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

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, Executive Director & 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.

Additional Shareholder Information

Annual General Meeting

Date: December 27, 2013

Time: 12.00 noon

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

Financial Calendar

Financial year: April 1 to March 31

For the period ended September 30, 2013 (for the 18 months period), results were announced for:

First quarter : Reviewed	August 13, 2012
Second quarter: Reviewed	November 10, 2012
Third quarter: Reviewed	February 13, 2013
Fourth quarter : Reviewed	May 29, 2013
Fifth quarter: Reviewed	August 13, 2013
Sixth quarter and annual: Audited	November 23, 2013

For the year ending March 31, 2014, results will be announced by:

First quarter : Reviewed	on or before February 2014
Second quarter and annual: Audited	on or before May 2014

Book Closure

The books will be closed from Friday, December 20, 2013 to Friday, December 27, 2013 (both days inclusive) as annual closure for the Annual General Meeting.

Dividend Payment

Dividend of ₹ 0.30 per equity share will be paid on or after December 27, 2013 (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 BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

The annual listing fees as prescribed have been paid to BSE and NSE upto March 31, 2014.

Table 1: Company's Stock Exchange codes

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

Non-Convertible Debentures (NCDs)

Sr. No.	Particulars	No. of NCDs	Amount (In Crore)	Stock Code (BSE)	ISIN NO.
1	2000 – 11.50% Secured Redeemable NCDs of ₹10,00,000/- each aggregating to ₹ 200 crores issued and allotted on June 29, 2010 on private placement basis.	700	70.00	ALOK290610A	INE270A07463
		700	70.00	ALOK290610B	INE270A07471
		250	25.00	ALOK290610C	INE270A07489
		179	17.90	ALOK290610C	INE270A07489
		71	7.10	ALOK290610C	INE270A07489
		50	5.00	ALOK290610C	INE270A07489
		40	4.00	ALOK290610C	INE270A07489
		5	0.50	ALOK290610C	INE270A07489
		5	0.50	ALOK290610C	INE270A07489

Sr. No.	Particulars	No. of NCDs	Amount (In Crore)	Stock Code (BSE)	ISIN NO.
2	1000 – 10.75% Secured NCDs of ₹ 10,00,000/- each aggregating to ₹ 100 Crores issued and allotted on October 20, 2010 on private placement basis.	334 333 333	33.40 33.30 33.30	ALOK201010A ALOK201010B ALOK201010C	INE270A07497 INE270A07505 INE270A07513
3.	2000 – 12.50% Secured NCDs of ₹ 10,00,000/- each aggregating to ₹ 200 crores issued and allotted on March 04, 2011 on private placement basis are to be listed with BSE.	370 300 370 300 360 300	37.00 30.00 37.00 30.00 36.00 30.00	ALOK4311A ALOK4311A ALOK4311B ALOK4311B ALOK4311C ALOK4311C	INE270A07521 INE270A07521 INE270A07539 INE270A07539 INE270A07547 INE270A07547
4.	3000 – 12.00% Secured Redeemable NCDs of ₹ 10,00,000/- each aggregating to ₹ 300 crores issued and allotted on February 01, 2012 on private placement basis.	375 375 375 375 375 375 375 375	37.50 37.50 37.50 37.50 37.50 37.50 37.50 37.50	ALOK010212A ALOK010212B ALOK040212C ALOK010212D ALOK010212E ALOK010212F ALOK010212G ALOK010212H	INE270A07554 INE270A07562 INE270A07570 INE270A07588 INE270A07596 INE270A07604 INE270A07612 INE270A07620
	TOTAL	**8000**	**800.00**		

Stock Market Data

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

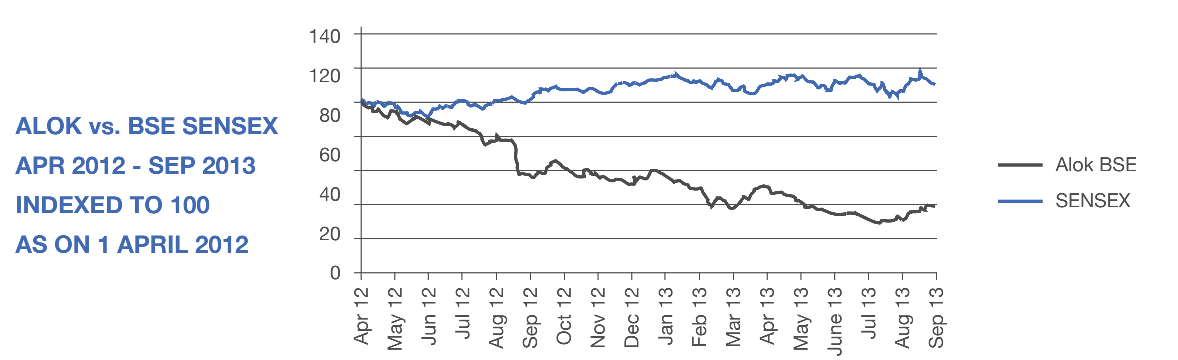
Table 2: High, lows and volumes of company's shares for the period April 1, 2012 to September 30, 2013 at BSE and NSE

Month	BSE (In ₹ per share)			NSE (In ₹ Per share)		
	High	Low	Volume	High	Low	Volume
April- 12	21.50	18.70	2,17,34,694	21.05	18.70	9,89,59,169
Mqy-12	19.90	17.65	2,26,71,602	20.00	17.65	8,07,47,549
June-12	19.05	17.25	1,07,12,269	19.25	17.20	5,91,31,822
July-12	18.70	15.25	2,40,50,627	18.70	15.20	12,83,38,931
August-12	16.55	11.30	5,55,91,039	16.80	11.00	16,24,02,045
Sept-12	12.90	10.77	3,92,08,121	14.00	10.75	12,52,69,759
Oct-12	13.55	11.00	4,65,77,091	13.55	11.15	13,01,91,735
Nov-12	12.40	10.68	4,47,83,972	12.40	10.65	18,93,87,726
Dec-12	12.05	10.48	5,08,75,638	12.05	10.45	16,16,09,876
Jan-13	12.60	10.62	3,99,70,383	12.60	10.30	13,48,01,983

Month	BSE (In ₹ per share)			NSE (In ₹ Per share)		
	High	Low	Volume	High	Low	Volume
Feb-13	11.08	8.25	2,50,18,734	11.10	8.25	11,08,52,435
March-13	9.20	7.52	2,91,19,634	9.25	7.50	9,50,23,310
April- 13	10.50	8.20	4,84,67,690	10.50	8.25	130817603
Mqy-13	9.80	7.75	4,44,31,138	9.80	7.70	173464713
June-13	8.25	6.65	5,73,26,120	8.20	6.70	167134247
July-13	7.31	6.05	4,22,13,976	7.35	6.00	158844618
August-13	7.34	5.87	2,57,07,605	7.35	5.85	99881012
Sept-13	8.25	6.17	1,92,47,855	8.25	6.15	52813494

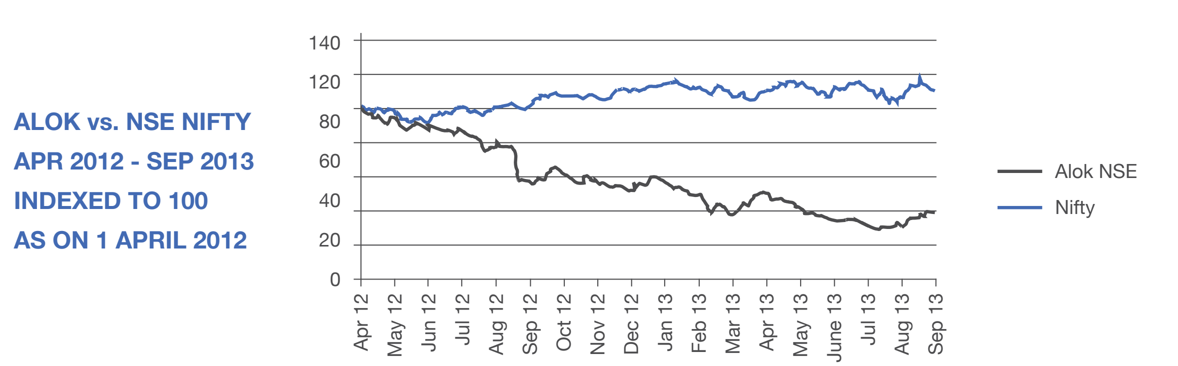
Chart A: Alok Industries's Share Performance versus BSE Sensex

SHARE PERFORMANCE VIS-À-VIS STOCK MARKET INDICES



Note: Share price of Alok Industries and BSE Sensex have been indexed to 100 on April 1, 2012

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 April 1, 2012

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 September 30, 2013.

Table 3: Shareholding pattern

Shareholding Class	No of shares held	% of total shares held	No of shareholders	% of total shareholders
Upto 500	29404100	2.1352	138039	64.5015
501 to 1,000	29124731	2.1149	33704	15.7489
1,001 to 2,000	29962560	2.1757	18734	8.7538
2,001 to 3,000	18234237	1.3241	6934	3.2401
3,001 to 4,000	13075171	0.9595	3582	1.6738
4,001 to 5,000	15752244	1.1439	3278	1.5317
5,001 to 10,000	38021268	2.7609	4985	2.3293
10,001 and above	1203541284	87.3958	4753	2.2209
TOTAL	**1377115595**	**100.00**	**214009**	**100.00**

Table 4: Shareholding Pattern by ownership as on September 30, 2013.

	Category	As on September 30, 2013	
		Total No. of Shares	Percentage (%)
A.	**Promoter's Holding**		
	Promoters		
	Indian Promoters	526273625	38.22
	Foreign Promoters	0.00	0.00
	Persons acting in Concert	0.00	0.00
	TOTAL (A)	526273625	38.22
B.	**Non Promoter's Holding**		
	1. Institutional Investors		
	a. Mutual Funds and UTI	19610	0.00
	b. Banks, Financial Institutions, Insurance Companies/Central Governments/State Governments	128999322	9.37
	c. FIIs	53269487	3.87
	TOTAL (B1)	182288419	13.24
	2. Others		
	• Private Corporate Bodies	239027646	17.36
	• Indian Public	407427447	29.59
	• NRIs/OCBs	12707632	0.93
	• Foreign Companies/HUF	0.00	0.00
	• Clearing Members/Market Maker	9377251	0.68
	• Trusts	13575	0.00
	TOTAL (B2)	668553551	48.55
	TOTAL B (B1+B2)	850841970	61.78
	GRAND TOTAL (A+B)	**1377115595**	**100.00**

Registrar and Transfer Agent

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

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

Share Transfer System

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

De-materlisation of Shares

As on September 30, 2013, over 99.20% shares of the company were held in de-materialised form.

There are no legal proceedings against Alok on any share transfer matter. Table 5 gives details about the nature of complaints and their status for the period from April 1, 2012 to September 30, 2013.

Table 5: Complaints Received and Addressed during the period from April 1, 2012 to September 30, 2013.

Particulars	Complaints				
	Non-Receipt of Certificates	Non-receipt of dividend/ Interest/ Redemption of warrant	Non Receipt of Annual Report	Others	Total
Received during the period	1	84	10	7	102
Attended during the period	1	78	10	7	96
Pending as on September 30, 2013	**00**	**06**	**00**	**00**	**06**

Outstanding GDRs/ADRs/Warrants

The Company has not issued GDRs/ ADRs/Warrants as of September 30, 2013.

Details of Public Funding Obtained in the last three years

2009-10

On May 5, 2009, the Company issued and allotted 244,719,930 Equity Shares of ₹ 10.00 each at a premium of Re. 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 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. March 25, 2009. After the issue, the total paid-up equity capital of the Company became 605,698,030 Equity Shares of ₹ 10.00 each.

On March 30, 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

2011-12

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

NOTE : On March 15, 2012, pursuant to the amalgamation of Grabal Alok Impex Limited with Alok Industries Limited as per the Scheme of Amalgamation sanctioned by the Hon'ble High Court, Bombay, India on 3 February 2012 the Company has issued and allotted 22,485,000 Equity shares to the shareholders of Grabal Alok Impex Limited whose name appeared in the register of members of Grabal Alok Impex Limited (in the ratio of 1:1), as per the details received from NSDL/CDSL. Consequent on the amalgamation, the Company's equity share capital as on March 31, 2012 stands at ₹ 826.27 crore divided into 826,269,357 fully paid equity shares of ₹ 10/- each. There was no inflow received by the Company on account of amalgamation.

2012-13

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

Table 6 gives the details.

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

Financial Year	Amt. Raised through Public Funding	Effect on Paid up equity Share Capital
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	13,921 partly paid equity shares were forfeited and total paid-up equity capital of the Company became 787,784,357 Equity Shares of ₹ 10.00 each
2011-2012	16000000 Equity Shares of ₹ 10.00 each, at a premium of ₹ 41.00 per share to Jiwrajka Investments Private Limited 22,485,000 Equity shares of ₹ 10.00 each, to the shareholders of Grabal Alok Impex Limited pursuant to amalgamation of Grabal Alok Impex Limited with the Company. (*)	After the conversion of Warrants into equity shares, the total paid-up capital of the Company increased from 787,784,357 Equity Shares of ₹ 10.00 each to 803,784,357 Equity Shares of ₹ 10.00 each After the amalgamation Company's equity share capital as on March 31, 2012 stands at ₹ 803,784,357 Equity Shares of ₹ 10.00 each to 826,269,357 paid equity shares of ₹ 10/- each.
2012-2013	550846238 Equity Shares of ₹ 10.00 each at par to the existing shares of the Company on Rights basis.	After the Rights issue of equity shares, the total paid-up equity capital of the Company became 1377115595 Equity Shares of ₹ 10.00 each

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

As on September 30 , 2013, 98.74% of the promoters' holding have been pledged with FIIs, MFs and other lenders as part of loan conditions. This represents a sum total of 519662724 equity shares (37.74 % 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, Village Pawane, TTC Industrial Area, MIDC, Navi Mumbai, Dist. Thane • 261/ 268, Village Balitha, Taluka Pardi, Dist. Valsad, Gujarat • 254, Village Balitha, Taluka Pardi, Dist. Valsad, Gujarat
Garments	• 374/2/2, Saily, Silvassa, Union Territory of Dadra & Nagar Haveli • 17/5/2, 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, Village 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, Village Balitha, Taluka Pardi, Dist. Valsad, Gujarat
Packaging Unit	• 87/1 and 96/1, Village Falandi, Silvassa, Union Territory of Dadra & Nagar Haveli

Investor Correspondence Address

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

COMPLIANCE OFFICER FOR INVESTOR REDRESSAL

K.H. Gopal

Executive Director & Secretary
Alok Industries Limited
Peninsula Business Park, Towers ‘B’, GK Marg, Lower Parel
Mumbai 400013
E-mail: gopal@alokind.com
Website: www.alokind.com

Auditors' Certificate on Compliance of Conditions of Corporate Governance

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

To,

The Members

ALOK INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Alok Industries Limited, for the period from 1 April, 2012 to 30 September, 2013, 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 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 the information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied in all respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For Deloitte Haskins & Sells LLP
Chartered Accountants
[Firm Registration No. 117366W / W-100018]

R D. Kamat
Partner
Membership No.36822

Place: Mumbai
Date: November 23, 2013

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 period from 1 April 2012 to 30 September 2013 (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 six 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 31 March 2012 was held on 14 August 2012 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 7 May 2012

   (a) increase in the Authorized Share Capital of the Company from Rs.1000 crore to Rs.1500 crore and consequent alteration in Clause V of the Memorandum of Association of the Company;

   (b) alteration in Article 3 of the Articles of Association of the Company consequent to increase in Authorised Share Capital of the Company; and

   (c) issue of Equity shares of the Company and/or other securities through QIPs/ADRs/GDRs/FCCBs/ and or any other securities compulsorily convertible into equity shares.

   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. During the Financial year, Mr. Sunil .O. Khandelwal and Mr.K.H. Gopal have been appointed as additional directors and their appointments will be regularized at the ensuing Annual General Meeting. Mr.Samuel Joseph and Ms. Lalita Sharma were appointed as Nominee Directors and Mr.David Rasquinha and Ms. Maya Chakravorty have resigned as Nominee Directors. Mr. Chandrakumar Bubna also resigned as whole time director during the financial year.
9. The Company had on 8 May 2013, allotted 55,08,46,238 Equity Shares of Rs.10/- each for cash at par to the existing shareholders of the Company on rights basis in the ratio of 2 rights equity shares for every 3 equity shares held on the Record Date i.e. 19 February 2013.
10. The Company has altered the clause V of the Memorandum of Association and clause 3 of Articles of Association due to increase in authorized share capital of the Company.
11. The Company has extended its accounting period upto 18 months, i.e. 1st April 2012 to 30th September, 2013 after obtaining necessary approvals in this regard. The Company has also obtained the necessary approval to convene the Annual General Meeting on or before 31st December, 2013 in accordance with Section 166 read with Section 210 of the Companies Act, 1956.
12. The Company had constituted the Audit Committee required as per Section 292A of the Act.
13. The Company has appointed Cost Auditors under Section 233B of the Act.

Virendra Bhatt
Practising Company Secretary
ACS 1157 /CP 124

Place: Mumbai

Date: November 23, 2013

Certification by Managing Director and Chief Financial Officer

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

a. We have reviewed financial statements and cash flow statements for the period from 1st April, 2012 to 30th September, 2013 and that to the best of our knowledge and belief:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the period from 1 April, 2012 to 30 September, 2013 which are fraudulent, illegal or in violation of the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit committee -

   (i) significant changes in internal control over financial reporting during the period from 1 April, 2012 to 30 September, 2013;

   (ii) significant changes in accounting policies during the period from 1 April, 2012 to 30 September, 2013 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 : November 23, 2013

Dilip B. Jiwrajka
Managing Director

Sunil O. Khandelwal
Executive Director & Chief Financial Officer

DECLARATION

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

In accordance with the Clause 49 sub-clause of the listing Agreement with the Stock Exchanges, I further confirm that all the directors and senior management personnel of the Company have affirmed compliance to their respect Code of conduct, as applicable to them for the period from 1 April, 2012 to 30 September, 2013.

Place : Mumbai
Date : November 23, 2013

Dilip B. Jiwrajka
Managing Director

Business Responsibility Report

for the 18 months period ended 30.09.2013

Section A: General Information about the Company

1.	**Corporate Identity Number (CIN) of the Company**	: L17110DN1986PLC000334
2.	**Name of the Company**	: Alok Industries Limited
3.	**Registered Address**	: Survey Nos.17/5/1 & 521/1, Village Rakholi/ Saily, Silvassa-396230 Union Territory of Dadra & Nagar Haveli
4.	**Website**	: www.alokind.com
5.	**E-mail ID**	: info@alokind.com
6.	**Financial year reported**	: 01.04.2012 to 30.09.2013
7.	**Sector(s) that the Company is engaged in (industrial activity code-wise)**	: Manufacturer and Seller of Textile products National Industrial Classification (NIC) Codes: 2350, 2351, 2360, 2622, 2650, 2673, 3061, 3062
8.	**List three key products/services that the Company manufactures/ provides (as in balance sheet)**	: Apparel Fabrics, Home Textiles and Polyester Yarn
9.	**Total number of locations where business activity is undertaken by the Company:**	:
	i. Number of International Locations (Provide details of major 5)	Nil
	ii. Number of National Locations	14
10.	**Markets served by the Company – Local/State/ National/International/**	: All

Section B: Financial Details of the Company

1.	**Paid up Capital (INR)**	₹ 1,377.13 crore
2.	**Total Turnover (INR)**	₹ 19,917.75 crore
3.	**Total Profit After Taxes (INR)**	₹ 920.16 crore
4.	**Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**	₹ 2.24 crore i.e less than 1% of the profit after tax
5.	**List of activities in which expenditure in 4 above has been incurred:-**	a. Community Development; b. Health & Medical Care; c. Green Cover; d. Skill development programmes; e. Promoting sports

Section C: Other Details

1.	**Does the Company have any Subsidiary Company/ Companies?**	The Company has following 5 subsidiary Companies **I. Domestic Subsidiary;** a) Alok Infrastructure Limited **II. Foreign Subsidiaries;** a) Alok International Inc.; b) Alok International (Middle East) FZE; c) Alok Singapore Pte. Limited; d) Alok Worldwide Limited.
2.	**Do the Subsidiary Company/ Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such subsidiary Company(s).**	The domestic subsidiary company participates in the BR initiatives.
3.	**Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**	The Company encourages and supports independent / standalone activities by other entities that it does business with except its subsidiary companies. The percentage is less than 30%.

Section D: BR Information

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

i.	Name	:	Mr. Dilip B. Jiwrajka
ii.	DIN	:	00173476
iii.	Designation	:	Managing Director
iv.	Tel. Number	:	022-6178 7000
v.	Email id	:	dbj@alokind.com

b) **Details of BR head** : Same as above

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

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

P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5	Businesses should respect and promote human rights.
P6	Business should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

	Questions	Ethics & Transparency	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public policy Advocacy	Inclusive Growth/ CSR	Engagement with Customer
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Company complies with consumer awareness through appropriate labeling, where applicable and disclosures in the documents issued to its customers. The Company is in the process of further evolving this through appropriate communication.								
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		While there is no formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from the concerned internal stakeholders.								
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		In keeping with the vision of the Company and the changing business environment, Company constantly reviews its business policies and practices towards developing a sustainable business agenda. Industry practices/ standards at national and international levels are kept in view while advising such policies.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/ CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies are approved at appropriate levels by the competent authority including the Board, wherever required.								
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Policy frameworks are regularly monitored in course of its day-to-day business operations. Additionally, Board has delegated certain powers to various committees of the Board with distinct roles and responsibilities.								
6	Indicate the link for the policy to be viewed online?	N	N	N	N	N	N	N	N	N
		It has been the Company's practice to upload policies on the Intranet site for the information and implementation by the internal stakeholders. The Code of Conduct for Directors and the Code of Conduct for Senior Management and Employees is available on the website http://www.alokind.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

	Questions	Ethics & Transparency	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public policy Advocacy	Inclusive Growth/ CSR	Engagement with Customer
		P1	P2	P3	P4	P5	P6	P7	P8	P9
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		While there is no specific grievance redressal mechanism for human rights, the Company has a whistle blower policy to address employees' grievances with respect to human rights.								
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N
		While the Company has not carried out independent audit of the policies; the execution of the policies is through processes and systems, which are internally audited.								

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

Covered in the Table above.

3. Governance related to BR

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

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

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

  Yes, the Company publishes a section on 'Sustainability' as part of the Management Discussion & Analysis annually and the same is accessible on the company website under the 'Annual Report' link.

Section E: Principle-wise performance

Principle 1

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

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

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

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

Principle 2

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

   Our continuous polymerization process is fuelled by Re-gassified Liquid Natural Gas (alternate to coal or furnace oil) that produces polyester products.

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

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

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

      N.A.

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

      N.A.

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

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

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

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

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

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

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

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

Principle 3

1. Please indicate the Total number of employees. 29530
2. Please indicate the Total number of employees hired on temporary/ contractual/casual basis. 11631
3. Please indicate the Number of permanent women employees. 1441
4. Please indicate the Number of permanent employees with disabilities. 14
5. Do you have an employee association that is recognized by management. Yes
6. What percentage of your permanent employees is members of this recognized employee association? 1.14%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent Employees – 100%
- Permanent Women Employees – 100%
- Casual/Temporary/Contractual Employees – 100%
- Employees with Disabilities – 100%

Principle 4

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

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

Principle 5

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

   The policy of the company covers human right principles. As a part of the commitment towards meeting its societal needs, the Company believes in safeguarding human rights within its sphere of influence.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   Nil

Principle 6

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

   The policy on Health, Safety and Environment covers the Company. The Company is committed to conduct business with a strong environmental conscience ensuring sustainable development, safe work places and enrichment of quality of life of employees, customers and the community at large.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

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

   The complete details are available in the annexure to the 'Directors' Report' in the Annual Report for 2012-13.
3. Does the company identify and assess potential environmental risks? Y/N

   Yes, the Company has a mechanism to identify and assess potential environmental risks across all locations.
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   No.
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   Yes. Same as stated under point 2.
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

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

   Nil

Principle 7

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

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

   a) Apparel Export Promotion Council (AEPC)

   b) Ahmedabad Textile Industry's Research Association

   c) Asmechem Chamber of Commerce & Industry of India

   d) Association of Synthetic Fibre Industry

   e) Confederation of Indian Industry (CII)

f) Indian Merchants' Chamber

g) PHD Chamber of Commerce and Industry (PHD Chamber)

h) The Federation of Indian Chambers of Commerce and Industry (FICCI), and

i) The Cotton Textiles Export Promotion Council (TEXPROCIL)

j) The Synthetic & Rayon Textiles Export Promotion Council (SRTEPC)

k) The All India Exporters' Chamber

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   Yes. The Company proactively advocates for public welfare with an aim to bring positive change in governance and compliant behaviour among key stakeholders such as employees, customers and business partners. I

   The Company also contributes through Confederation of Indian Industry when views are solicited on matters such as Securities Law, Corporate Laws, etc.

Principle 8

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

   Yes and these details have been elucidated in the section on 'Sustainability and CSR initiatives' that forms a part of the Management Discussion & Analysis' in the Annual Report for 2012-13.

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

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

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

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

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

   ₹ 1.83 crore has been spent on various projects like provision of a dialysis centre at Silvassa, provision of uniforms and computer desktops to school children, organizing mass marriages, beautification of public gardens and fountains etc.

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

   Yes. Various social welfare initiatives viz. health & medical care, education and mid-day meals with focus on welfare of the economically and socially deprived sections of society are implemented, mostly, in the vicinity of establishments for improving quality of life of the community

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   Customer complaints are treated very seriously in the organisation. The Company hears its customers through various mediums such as emails, telephone, letter, fax etc.

   The status of pending complaints/cases as on 30th September 2013 is Nil

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

   Yes. All our commercial products follow Bureau of Indian Standards (BIS) guidelines for product information and labeling, where applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   No.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   Yes. Besides the regular customer engagement initiatives, the company conducts consumer survey as well to get appropriate market feedback and improve upon the deliverables to meet the customer expectations.

Standalone Financial Statements

Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of ALOK INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 30th September, 2013, the Statement of Profit and Loss for the period 1st April 2012 to 30th September 2013 and the Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 30th September, 2013;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the period ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs).

   (e) On the basis of the written representations received from the directors as on 30th September, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 30th September, 2013 from being appointed as a director in terms of Section 274(1) (g) of the Act.

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI FRN No. 117366W / W-100018

R D Kamat
Partner
Membership no. 36822

MUMBAI,
November 23, 2013

Annexure to the Independent Auditors' Report

The ALOK INDUSTRIES LIMITED

Referred to in 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, physical verification of major portion of fixed assets as at 30th September, 2013 was conducted by the management during the period, 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 period, 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 period by the management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and generally 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) The company has not granted / taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, clause 4(iii) (a) to (g) of the Order is 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 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) Having regard to the explanation that for certain services of a special nature amounting to ₹ 3.41 crores, comparable quotations cannot be obtained, all other transactions in excess of ₹ 5 lacs in respect of any party, have been made at prices which are prima facie reasonable having regard to the prevailing markets prices at the relevant time.

(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.

(vii) In our opinion, the internal audit functions carried out during the period by firms of Chartered Accountants appointed by the Management have been commensurate with the size of the company and the nature of its business.

(viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion, that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(ix) According to the information and explanation given to us in respect of statutory dues:

(a) 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, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities during the period, other than TDS dues aggregating to ₹ 5.3 crores including interest of ₹ 0.37 crores and service tax dues aggregating to ₹ 2.22 crores including interest of ₹ 0.12 crores, which have been deposited with the authorities with some delays.

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Wealth Tax, Customs Duty, Excise Duty, Sales Tax, Service Tax, Cess and other statutory dues in arrears as at 30th September, 2013 for a period of more than six months from the date they became payable.

(c) There are no dues in respect of Sales Tax, Income Tax, Wealth tax, Customs duty, Service Tax, Excise duty and Cess that have not been deposited as on 30th September, 2013 on account of disputes, other than as follows :

Name of the statute	Nature of dues	Amount (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax demand (TDS dues)	0.31	AY 2006 - 07 to 2013-14	Commissioner of Income Tax (Appeals)
Works Contract Tax Act, 1986	Works Contract Tax	0.59	FY 2004 – 05	Deputy Commissioner of Sales Tax
Maharashtra Value Added Tax Act, 2002	Maharashtra Value Added Tax	8.07	FY 2008-09	Joint Commissioner of Sales Tax
Central Sales Tax Act, 1956	Central Sales Tax	0.98	FY 2008-09	Joint Commissioner of Sales Tax

(x) The company neither has accumulated losses at the end of the period, nor incurred cash losses during the current period and immediately preceding financial year.

(xi) 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.

(xii) In our opinion and according to the information and explanations given to us, the company has maintained adequate documents and records where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) 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.

(xiv) 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.

(xv) 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 two subsidiary companies from banks and financial institutions are not prima facie prejudicial to the interests of the Company.

(xvi) On the basis of records examined by us, and relying on the information compiled by the Company for co-relating the funds raised to the end use of term loans, we have to state that, the company has, prima-facie, applied the term loans for the purposes for which they were obtained, other than amounts temporarily invested pending utilisation of the funds for the intended use.

(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, prima facie, not been used during the period for long-term investment.

(xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

(xix) Security / Charges have been created in respect of debentures issued as detailed in note no. 4 to the financial statements.

(xx) We have verified the end use of money raised by the right issue (Refer note no. 27 to the financial statements) from the Letter of Offer filed with Securities Exchange Board of India.

(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 period.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
ICAI FRN No. 117366W / W-100018

R D Kamat
Partner
Membership no. 36822

MUMBAI, November 23, 2013

Balance Sheet
as at 30 September 2013

(₹ Crores)

Particulars	Notes	As at 30-Sep-13		As at 31-Mar-12
I Equity And Liabilities				
(1) Shareholders' funds				
Share capital	2	**1,377.13**		826.28
Reserves and surplus	3	**3,710.99**		2,828.24
			5,088.12	3,654.52
(2) Non-current liabilities				
Long-term borrowings	4	**9,085.47**		7,013.06
Deferred tax liabilities (net)	5	**664.14**		626.77
Long-term provisions	6	**194.35**		176.39
			9,943.96	7,816.22
(3) Current liabilities				
Short-term borrowings	7	**4,640.71**		4,126.42
Trade payables	8	**957.38**		506.42
Other current liabilities	9	**3,851.25**		2,058.20
Short-term provisions	6	**250.27**		75.60
			9,699.61	6,766.64
TOTAL			**24,731.69**	18,237.38
II Assets				
(1) Non-current assets				
Fixed assets				
Tangible assets	10	**9,156.90**		8,514.54
Intangible assets	10	**26.53**		37.55
Capital work-in-progress	10	**555.13**		914.16
		9,738.56		9,466.25
Non-current investments	11	**129.15**		166.79
Long-term loans and advances	12	**1,637.35**		256.09
			11,505.06	9,889.13
(2) Current assets				
Current investments	13	**2.73**		3.94
Inventories	14	**5,726.47**		3,379.91
Trade receivables	15	**5,025.96**		2,152.15
Cash and bank balances	16	**882.65**		1,294.84
Short-term loans and advances	17	**1,503.74**		1,404.04
Other current assets	18	**85.08**		113.37
			13,226.63	8,348.25
TOTAL			**24,731.69**	18,237.38
III Significant notes forming part of the financial statements	1-41			

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

R. D. Kamat
Partner

Place : Mumbai
Date : November 23, 2013

For and on behalf of the Board

Ashok B. Jiwrajka Executive Chairman
Dilip B. Jiwrajka Managing Director
Surendra B. Jiwrajka Joint Managing Director
Sunil O. Khandelwal Executive Director & Chief Financial Officer

K. H. Gopal Executive Director & Secretary

Place : Mumbai
Date : November 23, 2013

Statement of Profit and Loss
for the period from 1 April 2012 to 30 September 2013

(₹ Crores)

	Particulars	Notes	18 Months Ended 30-Sep-13	12 Months Ended 31-Mar-12
I.	**Revenue**			
	Revenue from operations (gross)	19	**20,374.47**	9,134.81
	Less : Excise duty		**456.72**	233.95
	Revenue from operations (net)		**19,917.75**	8,900.86
II.	**Other income**	20	**60.16**	65.60
III.	**Total Revenue**		**19,977.91**	8,966.46
IV	**Expenses**			
	Cost of materials consumed		**13,908.87**	5,909.79
	Changes in inventories of finished goods, work-in-progress	21	**(2,509.15)**	(1,516.66)
	Employee benefits expense	22	**434.68**	267.28
	Finance costs	23	**2,260.66**	1,149.55
	Depreciation and amortisation expense	10	**1,360.77**	713.43
	Other expenses	24	**2,658.44**	1,681.30
	Total Expenses		**18,114.27**	8,204.69
V	**Profit before exceptional items and tax**		**1,863.64**	761.77
VI	**Exceptional items (Refer Note no.39)**		**(463.74)**	(121.27)
VII	**Profit before tax (V-VI)**		**1,399.90**	640.50
VIII	**Tax expense**			
	- Current tax		**(449.31)**	(157.64)
	Includes MAT adjustment of ₹ 66.27 crores (Previous year ₹ 44.12 crores)			
	- Excess provision for tax in respect of earlier years (net)		**6.94**	-
	- Deferred tax (Refer note no.5)		**(37.37)**	(102.33)
	Net tax expense		**(479.74)**	(259.97)
IX	**Net profit for the period/year**		**920.16**	380.53
X	**Earnings Per Share (in ₹)**	30		
	Basic		**9.43 ***	4.69
	Diluted		**9.43 ***	4.69
	* not annualised			
XI	Significant notes forming part of the financial statements	1-41		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

R. D. Kamat
Partner

Place : Mumbai
Date : November 23, 2013

For and on behalf of the Board

Ashok B. Jiwrajka Executive Chairman
Dilip B. Jiwrajka Managing Director
Surendra B. Jiwrajka Joint Managing Director
Sunil O. Khandelwal Executive Director & Chief Financial Officer
K. H. Gopal Executive Director & Secretary

Place : Mumbai
Date : November 23, 2013

Cash Flow Statement
for the period from 1 April 2012 to 30 September 2013

(₹ Crores)

Particulars		18 Months ended 30-Sep-13	12 Months ended 31-Mar-12
A]	**Cash Flow from Operating Activities**		
	Net Profit Before Tax	**1,399.90**	640.50
	Adjustments for:		
	Depreciation / Amortisation	**1,360.77**	713.43
	Exchange rate difference	**318.44**	124.47
	Dividend Income	**(3.40)**	(2.57)
	Employee Stock option outstanding	**(2.27)**	2.27
	Interest paid (net)	**2,039.06**	1,032.10
	Profit on sale of fixed assets (net)	**(0.72)**	(9.65)
	Provision for doubtful advance	**30.36**	3.76
	Provision for doubtful debts	**84.50**	12.87
	Loss/(Profit) on sale of investments (net)	**37.12**	(0.12)
	Share issue expenses	**6.32**	-
	Operating Profit before working capital changes	**5,270.08**	2,517.06
	Adjustments for		
	Increase in Inventories	**(2,346.56)**	(1,331.29)
	Increase in Trade Receivable	**(2,935.95)**	(368.99)
	Increase in Loans & Advances	**(1,563.09)**	(935.85)
	Increase in Current Liabilities and Provisions	**1,395.21**	136.14
	Cash (used)/generated from operations	**(180.31)**	17.07
	Income taxes paid	**(171.54)**	(132.46)
	Net cash used from operating activities	**(351.85)**	(115.39)
B]	**Cash flow from Investing Activities**		
	Purchase of fixed assets	**(1,345.06)**	(1,499.37)
	Sale of fixed assets	**7.20**	17.86
	Purchase of Investments	**(50.29)**	(116.74)
	Sale of Investments	**52.02**	162.48
	Fixed Deposits & earmarked balances matured	**599.62**	284.61
	(Refer note 2 below)		
	Dividends received	**3.40**	2.57
	Interest received	**42.28**	33.23
	Inter Corporate deposits given	**(64.10)**	-
	Inter Corporate deposits refunded	**29.75**	1.26
	Net cash used in Investing Activities	**(725.18)**	(1,114.10)
C]	**Cash flow from Financing Activities**		
	Proceeds from issue of Equity Share Capital (including premium)	**550.85**	61.20
	Proceeds from Term borrowings	**6,287.73**	2,353.70
	Repayment of Term Borrowings	**(3,702.23)**	(926.47)
	Proceeds from Short Term Borrowings (Net)	**272.99**	1,123.94
	Dividend Paid (including tax thereon)	**(28.78)**	(22.89)
	Interest Paid	**(2,109.78)**	(1,073.57)
	Share issue expenses	**(6.32)**	-
	Net cash generated from Financing Activities	**1,264.46**	1,515.91
	Net Increase in Cash and Cash equivalents (A+B+C)	**187.43**	286.42
	Cash and Cash equivalents at the beginning of the period/year	**541.71**	108.29
	Cash and Cash equivalents pursuant to amalgamation	**-**	147.00
	Cash and Cash equivalents at the end of the period/year	**729.14**	541.71

Cash Flow Statement
for the period from 1 April 2012 to 30 September 2013

NOTES TO CASH FLOW STATEMENT

1 Purchase of fixed assets are stated inclusive of movements of Capital Work in Progress between the commencement and end of the period/year and is considered as part of investing activity.

2 Cash and Cash equivalents includes :

(₹ Crores)

	30-Sep-13	31-Mar-12
Cash and Bank Balances	**882.65**	1,294.84
Less : Earmarked balances / deposits with bank*	**153.51**	716.17
Less : Deposit with maturity period of more than 3 months **	-	36.96
Total Cash and Cash equivalents	**729.14**	541.71

* Earmarked balances / deposits with bank includes balances / deposits held as margin money or security against borrowings, guarantees and other commitments, which being, restricted for its use, have been excluded from cash and cash equivalent and grouped under the investing activity.

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

3 The Cash Flow Statement has been prepared in accordance with the requirements of Accounting Standard ‘AS-3’ “Cash Flow Statements”.

4 Previous year’s figures have been regrouped/restated wherever necessary.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

R. D. Kamat
Partner

Place : Mumbai
Date : November 23, 2013

For and on behalf of the Board

Ashok B. Jiwrajka Executive Chairman
Dilip B. Jiwrajka Managing Director
Surendra B. Jiwrajka Joint Managing Director
Sunil O. Khandelwal Executive Director & Chief Financial Officer
K. H. Gopal Executive Director & Secretary

Place : Mumbai
Date : November 23, 2013

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

a) 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.

b) Use of Estimates

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

c) Revenue Recognition

i. 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.

ii. Revenue in respect of insurance/other claims, interest etc. is recognised only when it is reasonably certain that the ultimate collection will be made.

d) Fixed Assets

i. 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.

ii. Assets taken on 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.

iii. Assets given on operating lease

Lease rental are recognised as income over the lease term.

e) 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.

f) Depreciation / Amortisation

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

ii. Cost of leasehold land is amortised over the period of lease.

iii. Trademarks / Brands are amortised over a period of ten years from the date of capitalization

iv. Computer software is amortised for a period of five years from the date of capitalization.

g) Foreign Currency Transactions & Translations

i. 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 statement of profit and loss.

ii. 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 statement of profit and loss . Non-monetary items denominated in foreign currency are carried at historical cost.

However, pursuant to the amended Accounting Standard (AS) 11 on "The Effects of Changes in Foreign Exchange Rates", exchange differences

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

arising on restatement of long term monetary items are dealt with in the following manner:

- Exchange differences relating to long-term monetary items, arising during the year, in so far as those relate to the acquisition of a depreciable capital asset are added to / deducted from the cost of the asset and depreciated over the balance life of the asset.
- In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized to the statement of profit and loss over the balance life of the long-term monetary item, however such that the period of amortization does not extend beyond 31 March, 2020.

h) Inventories

Items of Inventories are valued on the basis given below:

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

ii. Process stock and Finished Goods: At cost or net realisable values whichever is lower. Cost comprises of cost of purchase (as above), cost of conversion (absorption cost) and other costs incurred in bringing the inventory to their present location and condition.

i) Employee Benefits (Refer Note No. 31)

i. Defined Contribution Plan

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

ii. 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 is carried out at Balance Sheet date, Actuarial gains/losses are recognised in statement of Profit and Loss 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.

iii. Short Term Employee Benefits

Short term employee benefits are recognised as an expense at undiscounted amount in statement of profit & loss of the year in which the related service is rendered. This benefit include incentives, bonus.

j) Share Based Compensation

The compensation cost of stock options granted to employees is measured by intrinsic value method, i.e. difference between the market price of the company's shares on the date of grant of options and the excercise price to be paid by the option holders. The compensation cost, if any, is amortised over the vesting period of the options.

k) 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.

l) 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 statement of Profit and Loss in the year of accrual / receipt.

m) 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.

Notes to Financial Statements

for the period from 1 April 2012 to 30 September 2013

n) **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 tax 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 The Institute of Chartered Accountants of India.

o) **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.

p) **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 statement of Profit and Loss 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.

q) **Provisions, Contingent Liabilities and Contingent Assets**

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

r) **Accounting for Derivatives**

i. The company uses derivative instruments like foreign currency forward contracts, foreign currency options and Interest rate swaps 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.

ii. Interest Rate Swaps, Foreign Currency Options and Currency Swaps, 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". Thus, mark to market loses (net) are accounted for by the company, net gains are ignored.

iii. In respect of foreign currency 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 statement of profit and loss. Any gain / loss on cancellation of such forward contracts are recognised as income / expense of the period.

iv. The Company designates foreign currency forward contracts taken with respect to highly probable forecast transactions and firm commitments as hedges and accounts for the same by applying the recognition and measurement principles set out in the Accounting Standard (AS-30) "Financial Instruments: Recognition and Measurement". Accordingly, the Company records the gain or loss on effective cash flow hedges in the Cash Flow Hedging Reserve account until the forecasted transaction materializes. Gain or loss on ineffective cash flow hedges (if any) is recognized in the statement of profit and loss. (Refer Note No. 33(ii)).

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

2. SHARE CAPITAL

(₹ Crores)

Particulars	As at 30-Sep-13	As at 31-Mar-12
Authorised Shares		
1,50,00,00,000 (Previous year 1,00,00,00,000) Equity shares of ₹ 10/- each	**1,500.00**	1,000.00
	1,500.00	1,000.00
Issued 1,37,71,15,595 Equity shares of ₹ 10/- each	**1,377.13**	826.28
Subscribed and paid up		
1,37,71,15,595 (Previous year 82,62,69,357) Equity shares of ₹ 10/- each	**1,377.12**	826.27
Add : 13,921 Equity Shares forfeited of ₹ 10/- each ₹ 5/- paid up	**0.01**	0.01
TOTAL	**1,377.13**	826.28

Additional information :

(i) The movement in subscribed and paid up share capital is set out below :

Particulars	As at 30-Sep-13 No.of shares	As at 31-Mar-12 No.of shares
Equity shares of ₹ 10/- each		
At the beginning of the period/year	**82,62,69,357**	78,77,84,357
Add : Shares alloted (Refer a, b & c below)	**55,08,46,238**	3,84,85,000
At the end of period/year	**1,37,71,15,595**	82,62,69,357

a) During the period, 55,08,46,238 Equity shares of ₹ 10/- each were allotted on Right basis in the ratio of 3:2.

b) During the previous year, 1,60,00,000 Equity shares of ₹ 10/- each at a premium of ₹ 41/- each were alloted on conversion of warrants issued by Grabal Alok Impex Limited, the amalgamating company. Such warrants were sold by the original warrant holder to Jiwarajka Investment Private Limited, a promoter group company, which exercised such warrants.

c) During the previous year, 2,24,85,000 Equity shares were alloted to the shareholders of Grabal Alok Impex Limited pursuant to the Scheme of Amalgamation for consideration other than cash.

d) Of the remaining 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.

(ii) Shareholders holding more than 5 percent shares in the Company

Name of the Shareholder	As at 30-Sep-13		As at 31-Mar-12	
	No. of shares	%	No. of shares	%
Alok Knit Exports Private Limited *	**39,55,39,302**	**28.72**	-	-
Niraj Realtors & Shares Private Limited	-	-	7,16,37,204	8.67
Caledonia Investment PLC	-	-	3,62,07,135	4.38
Caledonia Investment PLC (FDI)	-	-	2,42,11,903	2.93

* Out of 39,55,39,302 shares held by Alok Knit Export Private Limited, the beneficial owners of 8,44,500 shares are Santosh Jiwrajka (28,500 shares) & Kiran Jiwrajka (28,500 shares) & Belisev Fashion Establishments (7,87,500 shares)

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

(iii) The rights, powers and preferences relating to equity share and the qualifications, limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company. The company has only one class of equity shares having a par value of ₹ 10/- per share. The principle rights are as follows:

a) Each holder of equity share is entitled to one vote per share.

b) The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

c) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

(iv) Shares reserved for issue under options (Refer note no 29)

(v) The board of directors at its meeting held on 23 November 2013 has recommended dividend of ₹ 0.30 per share.

3. RESERVES AND SURPLUS

(₹ Crores)

Particulars	As at 30-Sep-13		As at 31-Mar-12	
Capital reserve				
Balance as per last balance sheet	**11.72**		10.23	
Add : on amalgamation*	-		1.49	
		11.72		11.72
Capital redemption reserve				
Balance as per last balance sheet	**9.10**		2.20	
Add : on amalgamation*	-		6.90	
		9.10		9.10
Securities premium account				
Balance as per last balance sheet	**993.65**		880.39	
Add : on amalgamation*	-		60.15	
Add : Received during the period/year	-		65.60	
Less : Premium on redemption of FCCB	-		(12.49)	
		993.65		993.65
Debenture redemption reserve				
Balance as per last balance sheet	**168.48**		220.38	
Less: Transferred to Statement of Profit and Loss	**(76.86)**		(51.90)	
		91.62		168.48
General reserve				
Balance as per last balance sheet	**280.62**		274.99	
Add : on amalgamation*	-		5.63	
		280.62		280.62
Employee stock options outstanding				
Balance as per last balance sheet	**2.27**		-	
Options granted	-		4.67	
Less : Options lapsed	**(2.27)**		-	
Less : Deferred employee compensation expenses	-		(2.40)	
		-		2.27

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

(₹ Crores)

Particulars	As at 30-Sep-13		As at 31-Mar-12	
Cash flow hedging reserve				
Balance as per last balance sheet	**(16.78)**		-	
Add : Changes in fair value of Cash Flow hedges	**-**		(16.78)	
Less: Transferred to Statement of Profit and Loss	**16.78**		-	
		-		(16.78)
Foreign Currency Monetary Item Translation Difference Account				
Balance as per last balance sheet	**(0.98)**			
Add : Net addition during the period/year	**(3.58)**		(0.98)	
		(4.56)		(0.98)
Surplus in the Statement of Profit and Loss				
Balance brought forward from previous year	**1,380.16**		921.61	
Add : on amalgamation*	**-**		54.85	
Profit for the period/year	**920.16**		380.53	
Transferred from Debenture redemption reserve	**76.86**		51.90	
Proposed Dividend - Equity Shares	**(41.32)**		(24.79)	
Corporate Dividend Tax thereon	**(7.02)**		(4.02)	
Excess provision of dividend and tax thereon	**-**		0.08	
		2,328.84		1,380.16
TOTAL		**3,710.99**		2,828.24

* On amalgamation of Grabal Alok Impex Limited with the Company during the previous year.

4. LONG-TERM BORROWINGS

(₹ Crores)

Particulars	As at 30-Sep-13		As at 31-Mar-12	
	Current	Non Current	Current	Non Current
a) Debentures (Secured) (Refer i below)	**70.00**	**730.00**	-	800.00
b) Term Loans				
- Secured (Refer ii and iii below)				
From banks				
- Rupee Loans	**1,735.52**	**5,911.84**	920.71	5,568.45
- Foreign currency loans	**532.44**	**1,663.74**	555.87	350.15
	2,267.96	**7,575.58**	1,476.58	5,918.60

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

(₹ Crores)

Particulars	As at 30-Sep-13		As at 31-Mar-12	
	Current	Non Current	Current	Non Current
From Financial Institutions				
- Rupee Loans	**11.88**	**540.15**	13.13	58.59
- Foreign currency loans	**10.63**	**162.26**	20.96	145.22
	22.51	**702.41**	34.09	203.81
	2,290.47	**8,277.99**	1,510.67	6,122.41
- Unsecured (Refer note iv below)				
From banks				
- Foreign currency loans	**21.47**	**75.12**	119.64	86.62
c) Other loans & advances (Refer v below)				
- Secured				
Vehicle loan from Banks	**2.19**	**2.36**	2.43	4.03
TOTAL	**2,384.13**	**9,085.47**	1,632.74	7,013.06

Additional information :

(i) a) Debentures outstanding at the period/year end are redeemable as follows

Particulars	Nos	30-Sep-13 (₹ Crores)	31-Mar-12 (₹ Crores)	Date of Redemption
12.00% Redeemable Non convertible Debentures	375	**37.50**	37.50	01-Feb-20
12.00% Redeemable Non convertible Debentures	375	**37.50**	37.50	01-Aug-19
12.00% Redeemable Non convertible Debentures	375	**37.50**	37.50	01-Feb-19
10.75% Redeemable Non convertible Debentures	334	**33.34**	33.34	18-Oct-18
12.00% Redeemable Non convertible Debentures	375	**37.50**	37.50	01-Aug-18
12.00% Redeemable Non convertible Debentures	375	**37.50**	37.50	01-Feb-18
10.75% Redeemable Non convertible Debentures	333	**33.33**	33.33	18-Oct-17
12.00% Redeemable Non convertible Debentures	375	**37.50**	37.50	01-Aug-17
12.50% Redeemable Non convertible Debentures	300	**30.00**	30.00	03-Mar-17
12.50% Redeemable Non convertible Debentures	366	**36.66**	36.66	02-Mar-17
12.00% Redeemable Non convertible Debentures	375	**37.50**	37.50	01-Feb-17
10.75% Redeemable Non convertible Debentures	333	**33.33**	33.33	18-Oct-16
12.00% Redeemable Non convertible Debentures	375	**37.50**	37.50	01-Aug-16
11.50% Redeemable Non convertible Debentures	600	**60.00**	60.00	29-Jun-16
12.50% Redeemable Non convertible Debentures	367	**36.67**	36.67	02-Mar-16
12.50% Redeemable Non convertible Debentures	300	**30.00**	30.00	02-Mar-16
11.50% Redeemable Non convertible Debentures	700	**70.00**	70.00	28-Jun-15
12.50% Redeemable Non convertible Debentures	367	**36.67**	36.67	03-Mar-15
12.50% Redeemable Non convertible Debentures	300	**30.00**	30.00	03-Mar-15
11.50% Redeemable Non convertible Debentures	700	**70.00**	70.00	28-Jun-14
TOTAL		**800.00**	800.00	

(b) All the debentures are secured by pari passu charge on the immoveable property situated at Mouje Irana, Taluka Kadi, District Mehsana in the state of Gujarat. Further, Debentures of ₹ 300 crores are secured by first pari passu charge created on fixed assets of the company and Debentures of ₹ 500 crores are secured by subservient charge on fixed and current assets of the Company (excluding Land and Building).

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

(ii) Disclosure of Security for term loans

(₹ Crores)

Nature of security	Banks	Financial Institutions	Total
Exclusive charge on Plant & Machinery and specific assets financed *	1,202.48 (1,021.42)	- -	1,202.48 (1,021.42)
Pari passu first charge created on the entire fixed assets of the company #	6,240.70 (2,753.28)	252.03 (84.02)	6,492.73 (2,837.30)
Subservient charge on all movable and current assets of the Company @	2,400.36 (3,620.48)	472.89 (153.88)	2,873.25 (3,774.36)
TOTAL	**9,843.54** **(7,395.18)**	**724.92** **(237.90)**	**10,568.46** **(7,633.08)**

* Includes loans aggregating to ₹ 214.31 crores (Previous year 218.47 crores) which are further secured by personal guarantees of promoter directors / group companies

Includes Bank loans aggregating to ₹ 1,167.73 crores (Previous year 860.17 crores) & Financial Institution loans aggregating to ₹ 18.28 crores (Previous year 30.47 crores) which are further secured by personal guarantees of promoter directors / group companies

@ Includes Banks loans aggregating to ₹ 80.80 crores (Previous year 237.47 crores) which are further secured by personal guarantees of promoter directors / group companies

(iii) Terms of Repayment of Secured Term Loan

(₹ Crores)

Particulars	Rate of Interest*	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years	Total
Rupee Term Loan From Bank	12% - 15.75% (12% - 15.75%)	1,644.18 (1,642.75)	1,361.59 (1,568.05)	1,155.34 (820.31)	1,750.73 (1,537.34)	5,911.84 (5,568.45)
Foreign Currency Term Loan From Banks	1.44% - 6.00% (2.53% - 5.34%)	187.02 (34.45)	228.97 (46.81)	230.04 (62.79)	1,017.71 (206.10)	1,663.74 (350.15)
Rupee Term Loan From Financial Institutions	9.00% - 12.50% (9.00% - 12.50%)	40.63 (13.74)	111.41 (15.63)	108.75 (13.91)	279.36 (15.31)	540.15 (58.59)
Foreign Currency Term Loan From Financial Institutions	2.96% - 5.40% (2.70% - 5.31%)	162.26 (8.66)	- (136.56)	- -	- -	162.26 (145.22)
TOTAL		**2,034.09** **(1,699.60)**	**1,701.97** **(1,767.05)**	**1,494.13** **(897.01)**	**3,047.80** **(1,758.75)**	**8,277.99** **(6,122.41)**

* Rate of interest is without considering interest subsidy under TUF Scheme

(iv) Terms of Repayment of Unsecured Term Loan

(₹ Crores)

Particulars	Rate of Interest	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years	Total
Foreign Currency Term Loan From Banks	2.88% - 2.89% (2.53% - 3.75%)	21.46 (17.32)	21.46 (17.32)	21.46 (17.32)	10.74 (34.66)	75.12 (86.62)

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

(v) Disclosure of security and terms of repayment of Other loans and advances

(₹ Crores)

Nature of security	Banks
Vehicle loans are secured by vehicles under hypothecation with banks	4.55 (6.46)

(₹ Crores)

Particulars	Rate of Interest	1-2 Years	2-3 Years	3-4 Years	Total
Vehicle Loan	9.50% - 11.50% (9.50% - 13.00%)	1.88 (2.44)	0.27 (1.26)	0.21 (0.33)	2.36 (4.03)

Previous year figures are given in brackets

5. DEFERRED TAX LIABILITIES (NET)

(₹ Crores)

Particulars	As at 30-Sep-13	As at 31-Mar-12
Deferred Tax Liability (DTL)		
Depreciation	**816.15**	702.43
	816.15	702.43
Deferred Tax Asset (DTA)		
Mark to Market loss on Derivative Contracts	**51.14**	58.26
Share issue expenses	**3.75**	3.31
Provision for employee benefits	**8.30**	7.85
Provision for doubtful debts and advances	**88.82**	6.24
	152.01	75.66
Deferred tax liability (Net)	**664.14**	626.77

6. PROVISIONS

Particulars	As at 30-Sep-13			As at 31-Mar-12		
	Long term	Short term	Total	Long term	Short term	Total
For employee benefits	**16.88**	**7.53**	**24.41**	16.69	7.51	24.20
Mark to Market provision on derivative contracts	**177.47**	**(27.00)**	**150.47**	159.70	36.65	196.35
Proposed dividend	**-**	**41.32**	**41.32**	-	24.79	24.79
Corporate dividend tax	**-**	**7.02**	**7.02**	-	4.02	4.02
Provision for taxation (net of advance tax)	**-**	**221.40**	**221.40**	-	2.63	2.63
TOTAL	**194.35**	**250.27**	**444.62**	176.39	75.60	251.99

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

7. SHORT-TERM BORROWINGS

(₹ Crores)

Particulars	As at 30-Sep-13		As at 31-Mar-12	
Working capital loans :				
Cash Credit accounts, working capital demand loan etc. (Secured) (Refer a below)				
From Banks (Includes ₹ 786.37 crores (Previous year ₹ 720.15 crores) loan in foreign currency)		**4,240.93**		2,668.40
From Financial Institutions (Includes ₹ 72.73 crores (Previous year ₹ Nil) loan in foreign currency)		**153.29**		130.74
Cash Credit accounts, working capital demand loan etc. (Unsecured)				
From Banks (Includes ₹ 29.08 crores (Previous year ₹ 13.55 crores) loan in foreign currency)		**85.55**		157.53
Commercial Paper (Unsecured)				
From Banks	**-**		103.00	
From Financial Institutions	**-**		335.00	
		-		438.00
Inter Corporate Deposit (Unsecured) (Refer note no. 28)		**-**		11.75
Deposits (Unsecured)				
- Deposit from Public		**0.94**		-
Short term loan				
Secured (Refer a below)				
- Rupee Loans				
From Banks	**100.00**		635.00	
From Financial Institutions	**60.00**		85.00	
		160.00		720.00
TOTAL		**4,640.71**		4,126.42

Additional information :

a) Disclosure of security

(₹ Crores)

Nature of security	Banks	Financial Institutions	TOTAL
Working capital loans :			
(i) Hypothecation of company's current assets and mortgage of certain immovable properties belonging to the company / Guarantor. (ii) Second charge created on all fixed assets (excluding land and building) of the company	3,950.66 (2,324.47)	51.25 (40.35)	4,001.91 (2,364.82)
Subservient charge created on all moveable and current assets of the company.	290.27 (343.93)	102.04 (90.39)	392.31 (434.32)
TOTAL	4,240.93 (2,668.40)	153.29 (130.74)	4,394.22 (2,799.14)

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

(₹ Crores)

Nature of security	Banks	Financial Institutions	TOTAL
Short Term Loans			
Subservient charge on all movable and current assets of the Company	100.00 (537.00)	60.00 (85.00)	160.00 (622.00)
Fixed Deposit placed with the bank.	- (98.00)	- -	- (98.00)
TOTAL	100.00 (635.00)	60.00 (85.00)	160.00 (720.00)

Previous year figures are given in brackets

8. TRADE PAYABLE

(₹ Crores)

Particulars	As at 30-Sep-13	As at 31-Mar-12
Total outstanding due to :		
Creditors for supplies / services #	**930.66**	488.72
Creditors for accrued wages and salaries etc.	**26.72**	17.70
TOTAL	**957.38**	506.42

Includes acceptance of ₹ 105.86 crores (Previous year ₹ 2.20 crores)

Additional information for Micro & Small enterprises :

(₹ Crores)

Particulars	As at 30-Sep-13	As at 31-Mar-12
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting period/year	0.96	1.25
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting period/year	0.06	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the period/year	0.60	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting period/year	0.60	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	0.04	-

Information above has been determined on the basis of information available with the company.

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

9. OTHER CURRENT LIABILITIES

(₹ Crores)

Particulars	As at 30-Sep-13	As at 31-Mar-12
Current maturities of long-term borrowings (Refer note no.4)	**2,384.13**	1,632.74
Interest accrued but not due on borrowings	**20.98**	9.35
Unclaimed dividends (Refer i & ii below)	**1.08**	1.05
Other payables		
Advance from customers	**82.09**	46.14
Creditors for Capital Goods	**33.24**	32.79
Towards statutory liabilities	**5.75**	6.09
Premium on redemption of FCCB	**-**	43.14
Advance from Related parties (Refer note no 28)	**1,318.87**	261.73
Temporary overdrawn bank balance (Refer iii below)	**5.11**	14.28
Forward Contract Payable	**-**	10.89
TOTAL	**3,851.25**	2,058.20

Additional information :

(i) This figure doesn't include any amount due and outstanding to be credited to the Investor Education and Protection Fund.

(ii) During the period company has transferred ₹ 0.08 crores (Previous year ₹ 0.03 crores) to the Investor Education and Protection Fund.

(iii) Temporary overdrawn bank balances are as per books consequent to issue of cheques at the period/year end, though the banks have positive balances as on that date.

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

10. FIXED ASSETS

(₹ Crores)

Description Of Assets	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01.04.12	Additions	Deductions/ Adjustments	As at 30.09.13	As at 01.04.12	For the period	Deductions / Adjustments	As at 30.09.13	As at 30.09.13	As at 31.03.12
Tangible Assets :										
Freehold Land	116.71	11.71	1.01	**127.41**	-	-	-	**-**	**127.41**	116.71
Leasehold Land	0.80	-	-	**0.80**	0.17 *	0.01	-	**0.18***	**0.62**	0.63
Buildings	2,200.77	399.72	(14.97) @	**2,615.46**	234.14	111.35	(0.77)@	**346.26**	**2,269.20**	1,966.63
Plant and Equipments	8,271.79	1,557.34	1.94	**9,827.19**	2,033.15	1,207.32	1.12	**3,239.35**	**6,587.84**	6,238.64
Furniture and Fixtures	81.27	5.59	1.81	**85.05**	22.87	7.83	0.33	**30.37**	**54.68**	58.40
Vehicles	21.03	1.73	0.50	**22.26**	5.23	3.01	0.27	**7.97**	**14.29**	15.80
Office Equipment	11.25	1.03	-	**12.28**	3.78	1.11	-	**4.89**	**7.39**	7.47
Office Premises	26.98	-	0.90	**26.08**	3.25	0.65	0.11	**3.79**	**22.29**	23.73
Computer and Equipments	30.63	2.40	0.04	**32.99**	19.43	5.53	0.02	**24.94**	**8.05**	11.20
Tools and Equipment	73.09	14.98	0.64	**87.43**	15.94	10.24	0.08	**26.10**	**61.33**	57.15
	10,834.32	1,994.50	(8.13)	**12,836.95**	2,337.96	1,347.05	1.16	**3,683.85**	**9,153.10**	8,496.36
Given Under Operating Lease										
Buildings	19.33	-	14.97@	**4.36**	1.15	0.18	0.77@	**0.56**	**3.80**	18.18
Sub - Total A	10,853.65	1,994.50	6.84	**12,841.31**	2,339.11	1,347.23	1.93	**3,684.41**	**9,156.90**	8,514.54
Sub - Total A Previous year	8,944.95	1919.38	10.68	**10,853.65**	1,560.66	704.81	(73.64)	**2,339.11**	**8,514.54**	
Intangible assets :										
Trademarks / Brands	55.04	-	-	**55.04**	26.14	8.26	-	**34.40**	**20.64**	28.90
Computer Software	17.82	4.09	3.49	**18.42**	9.17	5.28	1.92	**12.53**	**5.89**	8.65
Sub - Total B	72.86	4.09	3.49	**73.46**	35.31	13.54	1.92	**46.93**	**26.53**	37.55
Sub - Total B Previous year	69.38	3.48	-	**72.86**	26.46	8.62	(0.23)	**35.31**	**37.55**	
Total (A+B)	10,926.51	1,998.59	10.33	**12,914.77**	2,374.42	1,360.77	3.85	**3,731.34**	**9,183.43**	8,552.09
TOTAL (A+B) Previous Year	9,014.33	1,922.86	10.68	**10,926.51**	1,587.12	713.43	(73.87)	**2,374.42**	**8,552.09**	
CAPITAL WORK-IN-PROGRESS (Including ₹ 18.94 crores in Previous year on account of amalgamation)									**555.13**	914.16

NOTES :

1. Plant & Machinery includes :
   - a Exchange difference (net) of ₹ 220.80 crores (Previous year gain of ₹ 97.60 crores) on restatement of long term borrowings payable in foreign currency.
   - b Interest capitalised ₹ 71.95 crores (Previous year ₹ 77.92 Crores)
2. Intangible assets consists of Trade Marks / Brands aggregating to ₹ 55.04 Crores (Previous year ₹ 55.04 crores) (Gross) [Written down value ₹ 20.64 crores (Previous year ₹ 28.90 crores)], which are registered in the name of a 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. Capital work in progress includes
   - a Exchange difference (net) of ₹ 13.93 crores (Previous year ₹ 16.87 crores) on restatement of long term borrowings payable in foreign currency.
   - b Interest capitalised ₹ 59.52 crores (Previous year ₹ 29.14 Crores)
   - c Expenditure incurred ₹ 481.68 crores (Previous year ₹ 868.15 crores) on account of fixed assets in the course of construction.
4. Additions for the previous year include cost of ₹ 250.67 crores and accumulated depreciation of ₹ 76.11 crores of tangible assets and cost of ₹ 0.25 crore and accumulated depreciation of ₹ 0.23 crore of intangible assets on amalgamation of Grabal Alok Impex Limited with the Company.

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

@ Building given on operating lease in previous year ₹ 14.97 crores (Written down value ₹ 14.19) for which lease period has expired during current period has been reclassified.

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

11. NON CURRENT INVESTMENTS (Trade)

(₹ Crores)

Particulars	No. of equity shares of face value of ₹10 each fully paid-up unless otherwise specified	As At 30-Sep-2013		As at 31-Mar-2012	
In Subsidiary Companies - Unquoted					
Alok Inc. (50 equity shares of face value of USD 200 each) (subsidiary closed during the current period)	-	**-**		0.04	
Alok International Inc. (₹ 43,225/-) (Face value of USD 1 each)	1,000	**0.00**		0.00	
Alok Apparels Private Limited (10,00,000 equity shares sold during the period to Alok Infrastructure Limited)	-	**-**		1.00	
Alok Retail (India) Limited (50,000 equity shares sold during the period to Alok Infrastructure Limited)	-	**-**		0.05	
Alok Land Holdings Private Limited (5,00,000 equity shares sold during the period to Alok Infrastructure Limited)	-	**-**		0.50	
Alok Infrastructure Limited (Pledged against finance availed by Alok Realtors Private Limited)	50,000	**0.05**		0.05	
Alok H & A Limited (3,60,50,000 equity shares sold during the period to Alok Infrastructure Limited)	-	**-**		36.05	
Alok Singapore Pte. Ltd. (₹ 49/-) (Face value of USD 1 each) (Pledged against finance availed by Alok Singapore Pte. Ltd.)	1	**0.00**		0.00	
Alok International (Middle East) FZE (Face value of UAE Dirhams One Million) (Pledged against finance availed by Alok International (Middle East) FZE)	1	**1.31**		1.31	
Alok Worldwide Limited (₹ 6,252/-) (Face value of USD 1 each)	100	**0.00**			
			1.36		39.00
In Joint Venture - Unquoted					
Aurangabad Textiles & Apparel Parks Limited	1,019,200	**17.25**		17.25	
New City Of Bombay Mfg. Mills Limited	4,493,300	**75.13**		75.13	
			92.38		92.38

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

(₹ Crores)

Particulars	No. of equity shares of face value of ₹10 each fully paid-up unless otherwise specified	As At 30-Sep-2013		As at 31-Mar-2012	
Others - Unquoted					
Trimphant Victory Holdings Limited (₹ 90.14/-) (Face value of USD 1 each)	2	**0.00**		0.00	
Dombivali Nagri Sahakari Bank Limited (Face value of ₹ 50 each)	10,000	**0.05**		0.05	
Kalyan Janata Sahakari Bank Limited (Face value of ₹ 25 each)	10,000	**0.03**		0.03	
Saraswat Bank Limited (₹ 25,000/-) (Pledged against finance availed by company)	2,500	**0.00**		0.00	
Interest in Alok Benefit Trust	19,459,382	**35.33**		35.33	
Wel-Treat Environ Management Organisation (₹ 36,500/-)	3,650	**0.00**		0.00	
			35.41		35.41
TOTAL			**129.15**		166.79

1) Quoted Investment	: Aggregate cost / carrying value	**-**	-
	: Aggregate market value	**-**	-
2) Unquoted Investment	: Aggregate cost / carrying value	**129.15**	166.79

12. LONG TERM LOANS & ADVANCES

(₹ Crores)

Particulars	As At 30-Sep-2013		As at 31-Mar-2012	
Unsecured and Considered good				
Capital advances		**62.69**		121.97
Lease and Security deposits		**7.95**		8.89
Loan to Alok Infrastructure Limited, wholly owned subsidiary		**1,467.87**		-
Other Loans and advances				
Prepaid expenses		**67.01**		41.34
Advance tax (net of provision for tax)		**31.83**		17.62
MAT credit entitlement		**-**		66.27
		1,637.35		256.09
Unsecured and Considered Doubtful				
Capital advances	**14.90**		3.76	
Less : Provision for doubtful advances	**14.90**		3.76	
		-		-
TOTAL		**1,637.35**		256.09

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

13. CURRENT INVESTMENTS (at cost)

Particulars	As At 30-Sep-2013	As at 31-Mar-2012
Investments in debentures or bonds		
Bonds		
Laxmi Vilas Bank Tier II Bonds	**2.00**	2.00
[20 Bonds of ₹ 10,00,000 each]		
Investments in Mutual funds - Unquoted		
Axis Infrastructure Fund 1	**0.73**	1.94
[7,314 (previous year 19,378) units of ₹ 1000/- each]		
TOTAL	**2.73**	3.94

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

(₹ Crores)

Particulars	As At 30-Sep-2013		As at 31-Mar-2012	
Raw Materials (includes material in transit ₹ 58.26 crores (Previous year ₹ 62.09 crores)	**288.23**		435.09	
Work-in-progress	**4,849.46**		2,220.77	
Finished Goods	**525.04**		644.58	
		5,662.73		3,300.44
Stores and Spares		**59.68**		72.45
Packing Material		**4.06**		7.02
TOTAL		**5,726.47**		3,379.91

15. TRADE RECEIVABLES

(₹ Crores)

Particulars	As At 30-Sep-2013		As at 31-Mar-2012	
Debts outstanding for a period exceeding six months from due date (See note iii)	**104.14**		41.97	
Less : Provision for bad and doubtful debt	**31.28**		14.18	
		72.86		27.79
Other Debts	**5,027.46**		2,131.32	
Less : Provision for bad and doubtful debt	**74.36**		6.96	
		4,953.10		2,124.36
		5,025.96		2,152.15
Unsecured				
Considered Good		**5,025.96**		2,152.15
Considered Doubtful		**105.64**		21.14
TOTAL		**5,131.60**		2,173.29

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

Additional information :

(i) Sundry Debtors includes ₹ 82.87 crores (Previous year ₹ 70.72 crores) towards contractual obligations on account of export incentives receivables.

(ii) Debtors include dues from parties aggregating to ₹ 1.54 crores (Previous year ₹ 1.22 crores) in which a director is a director/partner

(iii) Debts outstanding more than six months includes ₹ 36.26 crores due from related parties, considered good.

(iv) Refer note no 28 for related party balances.

16. CASH AND BANK BALANCES

(₹ Crores)

Particulars	As At 30-Sep-2013	As at 31-Mar-2012
A. Cash and Cash equivalents		
Cash on hand	**0.39**	0.50
Balance with Bank		
(i) In current accounts	**728.72**	515.20
(ii) In EEFC accounts	**0.03**	0.98
(iii) In deposit accounts	**-**	25.03
- Original maturity of 3 months or less		
Total Cash and Cash equivalents (A)	**729.14**	541.71
B. Other bank balances		
(i) In deposit accounts		
- Original maturity of more than 3 months (Refer i below)	**-**	36.96
(ii) In earmarked accounts		
- Unclaimed dividend accounts	**1.08**	1.05
- Balances / deposits held as margin money or security against borrowings, guarantees and other commitments	**152.43**	715.12
Total other bank balances (B)	**153.51**	753.13
TOTAL	**882.65**	1,294.84

Additional information :

(i) Balances with banks includes deposits amounting to ₹ Nil (Previous year ₹ 22.64 crores) and margin monies amounting to ₹ 22.33 crores (previous year ₹ 77.63 crores) which have an original maturity of more than 12 months.

Balances with banks includes deposits amounting to ₹ Nil (previous year ₹ 2.16 crores) and margin monies amounting to ₹ 4.26 crores (previous year ₹ 2.81 crores) which have a maturity of more than 12 months from the Balance Sheet date.

(ii) Includes ₹ Nil (previous year ₹ 33.49 crores) kept in bank deposits and ₹ Nil (previous year ₹ 8.55 crores) margin money pending utilisation towards project.

(iii) Includes ₹ Nil (previous year ₹ 437.57 crores) pledged with banks towards loan availed by subsidiary company.

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

17. SHORT-TERM LOANS AND ADVANCES

(₹ Crores)

Particulars	As At 30-Sep-2013	As at 31-Mar-2012
Secured		
Inter Corporate Deposits (Since recovered)	**36.50**	-
Unsecured, Considered Good		
Loans and advances to related parties (Refer note no. 28)	**156.52**	129.50
Others		
Loans to vendors	**917.38**	798.47
Advance to vendors	**93.82**	134.75
Advance to Staff (Refer note a below)	**5.66**	9.13
Balance with Central Excise, Customs and Sales Tax authorities	**241.58**	279.32
Prepaid expenses	**50.74**	49.18
Inter Corporate Deposits	**1.54**	3.69
	1,503.74	1,404.04
Unsecured, Considered Doubtful		
Advances to vendors	**2.50**	-
Less : Provision for doubtful advances	**2.50**	
	-	-
TOTAL	**1,503.74**	1,404.04

Additional information :

a) Advance to staff includes ₹ 0.23 crore (Previous year ₹ 0.18 crore) due from officers of the Company [maximum amount outstanding during the period ₹ 0.40 crore (Previous year ₹ 1.27 crore)

18. OTHER CURRENT ASSETS (Unsecured)

(₹ Crores)

Particulars	As At 30-Sep-2013	As at 31-Mar-2012
Considered Good		
Interest subsidy receivable	**76.11**	86.00
Unutilised DEPB licence	**2.10**	25.98
Interest receivable	**6.82**	-
Others	**0.05**	1.39
	85.08	113.37
Considered Doubtful		
Interest subsidy receivable	**24.03**	9.31
Less : Provision	**24.03**	9.31
	-	-
TOTAL	**85.08**	113.37

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

19. REVENUE FROM OPERATIONS

(₹ Crores)

	Particulars	18 Months ended 30-Sep-13	12 Months ended 31-Mar-12
a)	Sale of product (Refer note no.32)	**20,310.48**	9,095.86
b)	Sale of services		
	Job work charges collected	**49.62**	30.90
c)	Sale of Scrap	**14.37**	8.05
TOTAL		**20,374.47**	9,134.81

20. OTHER INCOME

(₹ Crores)

Particulars	18 Months ended 30-Sep-13		12 Months ended 31-Mar-12	
Interest income				
Bank fixed deposits	**31.85**		29.79	
Inter corporate deposits	**4.30**		-	
Others	**12.95**		3.44	
		49.10		33.23
Dividend income :				
On Long term investments	**3.40**		0.02	
On Current investments	**-**		2.55	
		3.40		2.57
Gain from sale of fixed assets (net)		**0.72**		9.65
Provision for doubtful debts written back		**-**		2.15
Provision for doubtful advances written back		**2.00**		-
Sundry credit balance written back		**2.28**		3.09
Rent received		**0.80**		1.06
Insurance claim received		**-**		12.40
Other non operating income		**1.86**		1.45
TOTAL		**60.16**		65.60

ALOK INDUSTRIES LIMITED
INNOVATIVE TEXTILE SOLUTIONS

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

21. CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ Crores)

Particulars	18 Months ended 30-Sep-13		12 Months ended 31-Mar-12	
Closing Stock as on 30 September 2013				
Work-in-progress	**4,849.46**		2,220.77	
Finished Goods	**525.04**		644.58	
		5,374.50		2,865.35
Less : Opening Stock as on 1 April 2012				
Work-in-progress	**2,220.77**		868.77	
Finished Goods	**644.58**		479.92	
		2,865.35		1,348.69
TOTAL		**2,509.15**		1,516.66

22. EMPLOYEE BENEFIT EXPENSES

(₹ Crores)

Particulars	18 Months ended 30-Sep-13	12 Months ended 31-Mar-12
Salaries and wages	**409.40**	242.96
Contribution to provident and other funds	**18.34**	13.74
Employee stock option compensation expenses	**(2.27)**	2.27
Employees welfare expenses	**9.21**	8.31
TOTAL	**434.68**	267.28

23. FINANCE COSTS

(₹ Crores)

Particulars	18 Months ended 30-Sep-13	12 Months ended 31-Mar-12
Interest expense (Net of interest subsidy ₹ 182.85 crores (Previous year ₹ 131.11 crores) and recovery of ₹ 281.55 crores (Previous year ₹ 140.02 crores))	**2,088.16**	1,065.33
Interest on late payment of taxes	**5.82**	2.04
Other borrowing costs	**166.68**	82.18
TOTAL	**2,260.66**	1,149.55

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

24. OTHER EXPENSES

(₹ Crores)

Particulars	18 Months ended 30-Sep-13		12 Months ended 31-Mar-12	
Stores and spares consumed		**79.65**		97.89
Packing materials consumed		**238.67**		130.36
Power and fuel		**1,130.22**		656.05
Processing charges		**117.24**		65.44
Labour charges		**106.06**		66.27
Excise duty		**16.55**		6.27
Donation		**4.10**		1.21
Marketing service charges		**113.34**		12.98
Freight, coolie and cartage		**193.96**		106.51
Legal and professional fees		**40.89**		35.41
Rent		**20.00**		15.63
Rates and taxes		**9.44**		5.54
Share issue expenses		**6.32**		-
Repairs and maintenance				
Plant and machinery	**17.92**		16.91	
Factory building	**3.38**		2.08	
Others	**7.83**		5.25	
		29.13		24.24
Commission on sales		**61.13**		37.29
Loss on exchange rate difference / derivative (net)		**127.42**		248.56
Provision for doubtful debts		**84.50**		12.87
Provision for doubtful advances		**30.36**		3.76
Bad debts and advances written off		**0.05**		12.07
Loss on sale of investment (net)		**0.02**		0.12
Directors remuneration		**13.17**		7.20
Directors fees and commission		**7.56**		5.04
Auditors remuneration (Refer note below)		**2.36**		1.51
Insurance		**28.65**		12.11
Miscellaneous expenses		**197.65**		116.97
(Miscellaneous expenses includes Bank charges, Agency and clearing charges, security expenses etc.)				
TOTAL		**2,658.44**		1,681.30
Auditor's remuneration (excluding service tax)				
Audit and related fees		**2.16**		1.46
Tax related services		**0.06**		-
Certification fees		**0.13**		0.05
Reimbursement of expenses		**0.01**		-
TOTAL		**2.36**		1.51

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

25. CONTINGENT LIABILITIES IN RESPECT OF :

(₹ Crores)

Sr. No.	Particulars	Current Period	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	Guarantees given by banks on behalf of the Company	**71.65**	73.48
C	Corporate Guarantees given to bank for loans taken by Subsidiary Companies	**2,642.48**	977.62
D	Bills discounted	**365.18**	214.79
E	Claims against Company not acknowledged as debts :		
	a) Income tax	**0.31**	1.69
	b) Works Contract Tax	**0.59**	0.59
	c) Central Sales tax	**0.98**	-
	d) Maharashtra Value Added tax	**8.07**	-
	e) Others - disputes under litigation	**19.34**	-

26. CAPITAL COMMITMENTS

(₹ Crores)

Particulars	Current Period	Previous Year
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances)	**86.54**	445.15

27. RIGHTS ISSUE

During the period, the Company has issued and allotted 55,08,46,238 equity shares of ₹ 10 /- at par for cash to its existing shareholders on Rights Basis aggregating to ₹ 550.85 crores.

The proceeds of the Right Issue were utilised as follows:

Sr. No.	Particulars	₹ Crores
1	Right issue expenses	**6.32**
2	Incremental Working Capital requirement/ General Corporate Purpose	**544.53**
	TOTAL	**550.85**

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

28 RELATED PARTY DISCLOSURE

A) Name and Transaction / balances with related parties

I. Name of related parties and nature of relationship

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

(i) Associate companies

Alspun Infrastructure Limited
Ashford Infotech Private Limited
Next Creation Holdings LLC

(ii) Entities under common control

Alok Denims (India) Private Limited
Alok Finance Private Limited
Alok Knit Exports Private Limited
Alok Textile Traders
Ashok Realtors Private Limited
Buds Clothing Co.
D. Surendra & Co.
Gogri Properties Private Limited
Grabal Alok Impex Limited (Amalgamated with the Company w.e.f. 1 April 2011)
Green Park Enterprises
Jiwrajka Associates Private Limited
Jiwrajka Investment Private Limited
Niraj Realtors & Shares Private Limited
Nirvan Exports
Nirvan Holdings Private Limited
Pramatex Enterprises
Pramita Creation Private Limited
Triumphant Victory Holdings Limited.

(iii) Subsidiaries

Alok Industries International Ltd. @
Alok Retail (India) Limited*
Alok Land Holdings Private Limited*
Alok H&A Limited*
Alok International, Inc.
Alok International (Middle East) FZE (incorporated on 01 August 2011)
Alok Worldwide Limited (Incorporated on 15 July 2013
Mileta, a.s.
Alok Infrastructure Limited
Alok Apparels Private Limited*
Alok New City Infratex Private Limited
Alok Realtors Private Limited*
Springdale Information and Technologies Private Limited#
Kesham Developers & Infotech Private Limited #
Alok Singapore Pte Ltd. (Incorporated on 28 December 2011)
Grabal Alok (UK) Limited
Grabal Alok International Limited@

Liquidation under process
* Amalgamated with Alok Infrastructure Limited effective 1 April 2012
@ Entire stake sold to Alok Infrastructure Limited on 28 March 2012

(iv) Joint Venture

Aurangabad Textiles & Apparel Parks Limited
New City Of Bombay Mfg. Mills Limited

Notes to Financial Statements
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(v)	**Key Management Personnel**	Ashok B. Jiwrajka Chandrakumar Bubna (Resigned w.e.f 30 September 2013) Dilip B. Jiwrajka Surendra B. Jiwrajka Sunil O Khandelwal (appointed as Executive Director w.e.f. 10 November 2012) K H Gopal (appointed as Executive Director w.e.f.10 November 2012)	Director
		Alok A. Jiwrajka - COO (w.e.f. 1 December 2012) Varun S Jiwrajka - Joint COO (w.e.f. 1 December 2012) Niraj D. Jiwrajka - Joint COO (w.e.f. 1 December 2012)	
(vi)	**Relatives of Key Management Personnel**	Alok A. Jiwrajka (Upto 30 November 2012) Suryaprakash Bubna (resigned w.e.f. 28 February 2013)	
(vii)	**Firms in which Relatives of Key Management Personnel are interested**	AVAN Packaging & Boards Linear Design C. J. Corporation	

Notes to Financial Statements
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II. Transactions with related parties.

(₹ Crores)

	Transaction	Associate companies	Entities under common control	Subsidiaries	Joint Venture Companies	Key Management Personnel	Relatives of Key Management Personnel	Firms in which Relatives of Key Management Personnel are interested	Total
a)	**Unsecured Short Term Borrowing**								
	Balance as at 1 April	- (-)	- (-)	- (-)	11.75 (-)	- (-)	- (-)	- (-)	11.75 (-)
	Accepted during the period/year (on amalgamation)	- (-)	- (-)	- (-)	- (11.75)	- (-)	- (-)	- (-)	- (11.75)
	Repaid during the period/ year	- (-)	- (-)	- (-)	11.75 (-)	- (-)	- (-)	- (-)	11.75 (-)
	Balance as at 30 Sep/ 31 Mar	- (-)	- (-)	- (-)	- (11.75)	- (-)	- (-)	- (-)	- (11.75)
b)	**Long term Loans & Advances**								
	Balance as at 1 April	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
	Granted during the period/year	- (-)	- (-)	3,953.80 (-)	- (-)	- (-)	- (-)	- (-)	3,953.80 (-)
	Received / Adjustment during the period / year (Net)	- (-)	- (-)	2,485.93 (-)	- (-)	- (-)	- (-)	- (-)	2,485.93 (-)
	Balance as at 30 Sep/ 31 Mar	- (-)	- (-)	1,467.87 (-)	- (-)	- (-)	- (-)	- (-)	1,467.87 (-)
c)	**Short Term Loans and Advances**								
	Balance as at 1 April	- (-)	0.01 (0.03)	129.49 (69.61)	- (-)	- (-)	- (-)	- (-)	129.50 (69.64)
	Granted during the period/year	- (-)	- (10.13)	439.38 (3,998.06)	- (-)	- (-)	- (-)	- (-)	439.38 (4,008.19)
	Received / Adjustment during the period/year (Net)	- (-)	- (10.15)	303.11 (3,947.18)	- (-)	- (-)	- (-)	- (-)	303.11 (3957.33)
	Written off during the period/year	- (-)	- (-)	109.25 (-)	- (-)	- (-)	- (-)	- (-)	109.25 (-)
	Balance as at 30 Sep/ 31 Mar	- (-)	0.01 (0.01)	156.51 (120.49)	- (-)	- (-)	- (-)	- (-)	156.52 (120.50)
d)	**Non Current Investments**								
	Balance as at 1 April	- (-)	- (-)	39.00 (37.91)	92.38 (88.75)	- (-)	- (-)	- (-)	131.38 (126.66)
	Invested during the period/year	- (-)	- (-)	0.00[1] (23.91)	- (3.63)	- (-)	- (-)	- (-)	0.00[1] (27.54)
	Redeemed / Transferred during the period/year	- (-)	- (-)	37.64 (22.82)	- (-)	- (-)	- (-)	- (-)	37.64 (22.82)
	Balance as at 30 Sep/ 31 Mar	- (-)	- (-)	1.36 (39.00)	92.38 (92.38)	- (-)	- (-)	- (-)	93.74 (131.38)

Notes to Financial Statements
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(₹ Crores)

	Transaction	Associate companies	Entities under common control	Subsidiaries	Joint Venture Companies	Key Management Personnel	Relatives of Key Management Personnel	Firms in which Relatives of Key Management Personnel are interested	Total
e)	**Trade Receivables**								
	Balance as at 30 Sep/ 31 Mar	0.84 (-)	- (0.09)	52.70 (143.46)	0.69 (0.04)	- (-)	- (-)	- (-)	54.23 (143.59)
f)	**Trade payables**								
	Balance as at 30 Sep/ 31 Mar	- (-)	- (-)	0.48 (6.78)	26.47 (18.75)	- (-)	- (-)	6.17 (-)	33.12 (25.53)
g)	**Other Current Liabilities**								
	Balance as at 30 Sep/ 31 Mar	- (-)	- (-)	1,318.87 (261.73)	- (-)	- (-)	- (-)	- (-)	1,318.87 (261.73)
h)	**Advance to Vendor - Short term Loans and Advances**								
	Balance as at 30 Sept/ 31 Mar	- (-)	0.24 (-)	- (0.02)	- (-)	- (-)	- (-)	- (-)	0.24 (0.02)
i)	**Guarantee outstanding**								
	Balance as at 1 April	- (-)	- (-)	977.62 (213.35)	- (-)	- (-)	- (-)	- (-)	977.62 (213.53)
	Given during the year / exchange restatement	- (-)	- (-)	1,881.47 (764.27)	- (-)	- (-)	- (-)	- (-)	1,881.47 (764.27)
	Expired during the period/ year	- (-)	- (-)	216.61 (-)	- (-)	- (-)	- (-)	- (-)	216.61 (-)
	Balance as at 30 Sep/ 31 Mar	- (-)	- (-)	2,642.48 (977.62)	- (-)	- (-)	- (-)	- (-)	2,642.48 (977.62)
j)	**Sale of product**								
	Sales of Goods	16.77 (-)	- (-)	931.35 (242.74)	1.17 (0.92)	- (-)	- (-)	11.42 (-)	960.71 (243.66)
k)	**Expenditure**								
	Purchase of semi finished goods	- (-)	66.27 (-)	3.23 (2.48)	86.04 (61.19)	- (-)	- (-)	- (-)	155.54 (63.67)
	Purchase of packing material	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	69.37 (-)	69.37 (-)
	Job work charges	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	8.28 (-)	8.28 (-)
	Purchase of Fixed Assets	- (-)	- (-)	425.01 (201.66)	- (-)	- (-)	- (-)	- (-)	425.01 (201.66)
	Repairs & Maintenance	- (-)	- (-)	0.55 (-)	- (-)	- (-)	- (-)	- (-)	0.55 (-)
	Rent	- (-)	- (-)	4.02 (3.12)	- (-)	- (-)	- (-)	- (-)	4.02 (3.12)
	Consultancy Charges	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	3.41 (-)	3.41 (-)
	Sales Promotion Expenses	- (-)	- (-)	- (2.67)	- (-)	- (-)	- (-)	- (-)	- (2.67)
	Legal & Professional Fees	- (-)	- (-)	- (12.08)	- (-)	- (-)	- (-)	- (-)	- (12.08)

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

(₹ Crores)

	Transaction	Associate companies	Entities under common control	Subsidiaries	Joint Venture Companies	Key Management Personnel	Relatives of Key Management Personnel	Firms in which Relatives of Key Management Personnel are interested	Total
	Marketing Service Charges	- (-)	- (-)	113.34 (12.98)	- (-)	- (-)	- (-)	- (-)	113.34 (12.98)
	Exchange rate difference	- (-)	- (-)	- (68.98)	- (-)	- (-)	- (-)	- (-)	- (68.98)
	Interest	- (-)	- (-)	- (-)	1.13 (-)	- (-)	- (-)	- (-)	1.13 (-)
	Remuneration	- (-)	- (-)	- (-)	- (-)	21.41 (12.20)	0.14 (0.20)	- (-)	21.55 (12.40)
l)	**Dividend Paid**	- (-)	5.76 (4.28)	- (-)	- (-)	2.45 (1.55)	- (-)	- (-)	8.21 (5.83)
m)	**Income**								
	Dividend	- (-)	- (-)	- (-)	3.38 (2.00)	- (-)	- (-)	- (-)	3.38 (2.00)
	Rent	- (-)	0.11 (0.23)	0.23 (0.52)	- (-)	- (-)	- (-)	0.19 (-)	0.53 (0.75)

[1] ₹ 6252
Note: Previous year figures are given in brackets

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

(₹ Crores)

Sr. No.	Transaction	Current Period	Previous Year
a)	**Unsecured Borrowing**		
	Accepted during the period/year (on amalgamation)		
	Joint Venture Company		
	New City of Bombay Mfg. Mills Limited	-	11.75
	Repaid during the period/year		
	Joint Venture Company		
	New City of Bombay Mfg. Mills Limited	11.75	-
b)	**Long term Loans & Advances**		
	Granted during the period/year		
	Subsidiary-		
	Alok Infrastructure Limited	3,951.78	-
	Repaid during the period/year		
	Subsidiary-		
	Alok Infrastructure Limited	2,485.93	-
c)	**Short-term Loans & Advances**		
	Granted during the period/year		
	Subsidiary-		
	Alok International Inc.	131.06	-
	Alok Infrastructure Limited*	306.28	3,539.23
		437.34	3,539.23

ALOK INDUSTRIES LIMITED
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Notes to Financial Statements
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(₹ Crores)

Sr. No.	Transaction	Current Period	Previous Year
	Received / Adjustment during the period/year		
	Subsidiary-		
	Alok Infrastructure Limited*	**228.86**	3,499.01
	Alok International Inc	**70.68**	-
		299.54	3,499.01
	Advances written off during the period/year		
	Subsidiary-		
	Alok Infrastructure Limited*	**109.26**	-
d)	**Investment**		
	Invested during the period/year		
	Subsidiary-		
	Grabal Alok International Limited	**-**	22.60
	Alok Worldwide Limited	**0.00**[1]	-
	Joint Venture-		
	Aurangabad Textiles & Apparel Parks Limited	**-**	3.63
	Redeemed /Transferred during the period/year		
	Subsidiary-		
	Grabal Alok International Limited	**-**	22.60
	Alok H&A Limited*	**36.05**	-
e)	**Turnover**		
	Subsidiary-		
	Alok International Inc.	**103.46**	141.77
	Grabal Alok (UK) Ltd.	**-**	64.80
	Alok Singapore Pte. Ltd.	**797.11**	25.33
		900.57	231.90
f)	**Expenditure**		
	Purchase of Semi Finished Goods:		
	Entities under common control		
	Alok Denim (India) Pvt. Ltd	**66.27**	-
	Joint Venture Company		
	New City of Bombay Mfg. Mills Limited	**85.83**	60.61
	Purchase of packing material		
	Firms in which relatives of key management personnel interested-		
	C. J. Corporation	**69.37**	-
	Job work charges		
	Firms in which relatives of key management personnel interested-		
	Linear Design	**8.28**	-
	Purchase of Fixed Assets (Including under construction):		
	Subsidiary-		
	Alok Infrastructure Limited	**424.15**	201.66
	Repairs & Maintenance		
	Alok Infrastructure Limited	**0.55**	-

Notes to Financial Statements
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(₹ Crores)

Sr. No.	Transaction	Current Period	Previous Year
	Rent		
	Subsidiary-		
	Kesham Developers Private Limited	**3.22**	2.86
	Consultancy Charges		
	Firms in which relatives of key management personnel interested-		
	Avan Packaging & Boards	**3.41**	-
	Sales Promotion Expenses		
	Subsidiary -		
	Grabal Alok (UK) Ltd.	**-**	2.67
	Legal & Professional charges		
	Subsidiary -		
	Grabal Alok (UK) Ltd.	**-**	12.08
	Marketing Service Charges		
	Subsidiary -		
	Alok International Inc.	**43.89**	12.98
	Alok Singapore PTE Limited	**66.24**	-
		110.13	12.98
	Interest		
	Joint Venture Company		
	New City of Bombay Mfg. Mills Limited	**1.15**	-
	Exchange Rate Difference		
	Subsidiary-		
	Grabal Alok (UK) Ltd.	**-**	68.98
	Commission on sales		
	Firms in which relatives of key management personnel interested-		
	Linear Design	**0.05**	-
	Remuneration:		
	Key Management Personnel-		
	Ashok B. Jiwrajka	**4.58**	3.05
	Surendra B. Jiwrajka	**4.58**	3.05
	Dilip B. Jiwrajka	**4.58**	3.05
	Chandrakumar Bubna	**4.58**	3.05
		18.32	12.20
g)	**Dividend Paid**		
	Key Management Personnel-		
	Surendra B. Jiwrajka	**1.16**	0.53
	Ashok B. Jiwrajka	**-**	0.50
	Dilip B. Jiwrajka	**-**	0.51
		1.16	1.54
	Entities under common control		
	Niraj Realtors & Shares Private Limited	**2.43**	1.73
	Jiwrajka Associates Private Limited	**1.08**	0.85
		3.51	2.58

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

(₹ Crores)

Sr. No.	Transaction	Current Period	Previous Year
h)	**Income**		
	Dividend:		
	Joint Venture Company		
	New City of Bombay Mfg. Mills Limited	**2.92**	1.80
	Aurangabad Textiles & Apparel Parks Limited	**0.45**	0.20
		3.37	2.00
	Rent received:		
	Entities under common control-		
	Alok Denim (India) Limited	**0.09**	0.18
	Subsidiary-		
	Alok Retail (India) Limited	**-**	0.40
	Alok H&A Limited	**-**	0.10
	Alok Infrastructure Limited*	**0.21**	-
		0.21	0.50
	Firms in which relatives of key management personnel interested-		
	Linear Design	**0.14**	-
i)	**Guarantee Given**		
	Subsidiary-		
	Alok Industries International Limited	**-**	665.03
	Alok Singapore Pte Ltd	**671.58**	-
	Alok International (Middle East) FZE	**1,035.82**	-
		1,707.40	665.03
j)	**Guarantee expired**		
	Subsidiary-		
	Alok Infrastructure Limited	**200.00**	-

[1] ₹ 6252

Notes to Financial Statements
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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

(₹ Crores)

Name of the Company	Balance as at 30-Sep-2013	Maximum balance during 18 months ended 30-Sep-2013	Balance as at 31-Mar-2012	Maximum balance during the year 11-12
Alok Infrastructure Limited	**1,535.24**	**1,994.73**	40.34	904.61
Alok Inc.	-	-	-	0.21
Alok Industries International Limited	**25.02**	**26.26**	26.22	218.21
Alok Apparels Private Limited*	-	-	28.26	30.39
Alok Retail (India) Limited*	-	-	21.60	21.60
Alok H&A Limited*	-	-	-	81.26
Alok Realtors Private Limited*	-	**0.25**	-	2.14
Alok International Inc.	**64.02**	**149.11**	-	-
Alok Singapore Pte Ltd	-	**12.13**	-	-
Alok International (Middle East) FZE	-	**1.30**	-	-
Grabal Alok (UK) Limited	**0.05**	**0.13**	0.05	30.20
Triumphant Victory Holdings Limited	**0.01**	**0.01**	0.01	0.01

* Amalgamated with Alok Infrastcture Limited effective 1 April 2012

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

(₹ Crores)

Name of the Companies	% of share holding	Amount of interest				
		Assets	Liabilities	Income	Expense	Contingent Liability
New City of Bombay Mfg. Mills Limited	49.00%	42.93 (44.35)	8.53 (9.13)	72.51 (65.84)	69.12 (62.41)	- (-)
Aurangabad Textile and Apparel Park Limited	49.00%	8.04 (9.79)	0.45 (1.27)	29.55 (31.42)	29.95 (30.61)	- -@

@ (i) Disputed various matters relating to NTC / ATM – Amount unascertainable

(ii) Contingent liability with respect to unpaid property tax on land under litigation / encroachment - amount unascertainable.

Previous year figures are given in brackets.

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29. EMPLOYEE STOCK OPTION SCHEME (ESOS)

All outstanding Options granted under Grant 1 and Grant 2 of ESOS 2010 scheme issued in the previous year are voluntarily surrendered by Employees during the current period and accordingly, Company has reversed employee compensation expenses of ₹ 2.27 crores recognised in previous year.

Pursuant to ESOS scheme 2010 approved by the shareholders, vide postal ballot, in 2011, Company granted 23,044,650 shares (Grant 3) on September 28, 2013. Such options vest over a period of 1 year from grant date. Details of options granted under Grant 3 duly approved by the Remuneration and Compensation Committee under the said scheme are as under:

Grant date	No of Options granted	Options surrendered / lapsed	Closing balance	Exercise price	Vesting period
28 September 2013	23,044,650	21800	23,022,850	10	Upto 28 September 2014

The Company has followed the intrinsic value-based method of accounting for stock options granted, based on Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Charted Accountants of India and accordingly compensation cost has not been recorded during the period on such grant since the market price was less than the exercise price at the date of grant. Had the compensation cost for the Company's stock based compensation plan been determined in the manner consistent with the fair value approach as described in the Guidance note, Company's net income would be lower by ₹ 0.03 crore, without any change in the earning per share, as reported.

The Company has adopted Black Scholes option pricing model to determine fair value of stock options. The fair value of each options granted under Grant 3 in current period is estimated on the date of grant based on the following assumptions:

Particulars	Current period
Expected life (years)	1 year from the date of vesting
Risk free interest rate (%)	8.71%
Volatility (%)	42%
Volatility method	Based on Annualised Standard Deviation of the continuously compounded rates of return on stock over period of 12 months, between September 2012 and September 2013

30. EARNINGS PER SHARE (EPS)

(₹ Crores)

		30-Sep-2013	31-Mar-2012
a.	**Nominal value of equity shares per share** (In Rupees)	**10**	10
b.	**Basic and Diluted EPS**		
	Net Profit available for equity shareholders	**920.16**	380.53
	Weighted average number of equity shares - Basic	**97,56,59,092**	811,187,390
	Basic EPS	**9.43**	4.69
	Add: Effect of dilutive stock options (Nos.)*	**-**	46,286
	Weighted average number of equity shares - Diluted (Nos.)	**97,56,59,092**	811,233,676
	Diluted EPS	**9.43**	4.69

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

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

31. EMPLOYEE BENEFIT PLANS:

i) **Defined contribution plans:**

Amounts recognized as expenses towards contributions to provident fund, superannuation and other similar funds by the Company are ₹ 9.60 crores (Previous Year ₹ 9.27 crores) for the period ended 30 September 2013.

ii) **Defined benefit plans:**

a) **Gratuity Plan:** The Company makes annual contribution to the Employee's Group Gratuity Assurance Scheme, administered mainly 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 period ended 30 September 2013 as required under AS 15 (Revised)

(₹ Crores)

Particulars	Gratuity (funded) as on 30-Sep-2013	Gratuity (funded) as on 31-Mar-2012
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	**19.78**	15.08
Current Service Cost	**6.93**	4.15
Interest Cost	**3.09**	1.51
Actuarial Gain	**(2.77)**	(0.63)
Past Service cost – Vested Benefit	**-**	-
Benefits Paid	**(2.09)**	(0.33)
Closing Defined Benefit Obligation	**24.94**	19.78
Change in Fair Value of assets		
Opening in Fair value of assets	**7.08**	4.49
Expected Return on Plan Assets	**1.00**	0.34
Actuarial (loss)/gain	**(0.06)**	0.26
Contribution by Employer	**6.58**	2.32
Benefits Paid	**(2.09)**	(0.33)
Closing Fair Value of Plan Assets	**12.51**	7.08
Net Liability	**12.43**	12.70

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

Expense to be recognized in statement of Profit and Loss Account

(₹ Crores)

Particulars	Period ended 30-Sep-2013	Year ended 31-Mar-2012
Current Service Cost	**6.93**	4.15
Interest on Defined Benefit Obligation	**3.09**	1.51
Expected Return on Plan Assets	**(1.00)**	(0.34)
Net Actuarial Gain	**(2.71)**	(0.89)
Total Included in Employment Expenses	**6.31**	4.43
Actual Return on Plan Assets	**0.94**	0.60
Category of Assets as on 30 Sept		
Insurer Managed Fund	**12.51**	7.08

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

Particulars	Period ended 30-Sep-2013	Year ended 31-Mar-2012
Discount rate	**9.10%**	8.70%
Rate of increase in compensation levels of covered employees	**9.00%**	9.00%
Expected Rate of return on plan assets *	**8.50%**	7.50%

* Expected rate of return on plan assets is based on expectation of the average long term rate of return expected to prevail over the estimated term of the obligation on the type of the investments assumed to be held mainly by LIC, since the fund is managed by Insurer. The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotions and other relevant factors.

Experience Adjustments

(₹ Crores)

Particulars	Period / Year Ended				
	30-Sep-2013	31-Mar-2012	31-Mar-2011	31-Mar-2010	31-Mar-2009
Defined benefit obligation	**24.94**	19.78	15.08	10.52	6.67
Plan Assets	**12.51**	7.08	4.49	2.76	2.24
Surplus / (Deficit)	**(12.43)**	(12.70)	(10.59)	(7.76)	(4.43)
Experience Adjustments on plan Liabilities	**(1.52)**	1.09	(0.67)	0.16	-
Experience Adjustments on plan Assets	**(0.06)**	0.26	0.08	0.07	-

Asset Allocations

Since the investments are held in the form of deposit with fund managers, these are not volatile and the market value of assets is the cost value of assets and has been accordingly considered for the above disclosure.

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

32. SEGMENT REPORTING

a) **Primary Segment: Geographical Segment**

The company is in the business of manufacturing of Textile products. Considering its high level of international operations and present internal financial reporting based on geographical location of customer, the company has identified geographical segment as primary segment.

The geographic segment consists of:

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, assets used, except trade receivables, 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. All fixed assets are located in India.

(₹ Crores)

Particulars	Current Period	Previous Year
Segment Revenue		
Operating Revenue – Sales		
Domestic [Net of Excise duty of ₹ 456.72 crores (Previous year ₹ 233.95 crores)]	**14,759.22**	5,840.41
International*	**5,108.91**	3,029.55
	19,868.13	8,869.96
Job Charges Collected (Domestic)	**49.62**	30.90
Total segment revenue	**19,917.75**	8,900.86
Segment Assets		
Trade Receivables		
Domestic	**4,739.09**	1,799.53
International	**286.87**	352.62
	5,025.96	2,152.15

* Export sales include sales made to customers located in SEZ units. Sales aggregating to ₹ 26.33 crores (Previous year ₹ 13.87 crores) and Trade Receivables ₹ 0.36 crore (Previous year ₹ 4.42 crores)

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"

33. i. Fair values (Mark to market values) (loss) of Foreign currency options , Interest rate swaps and forward contracts (other than those considered for hedging) as at 30 September 2013 aggregating to ₹ 150.47 crores (previous year ₹ 179.57 crores) has been accounted for by the Company. Such fair values are based on the report of counter parties. MTM gain on such derivatives of ₹ 29.10 crores (previous year loss of ₹ 106.61 crores) have been recognised during the period.

ii. Derivative contracts entered into by the company and outstanding as on 30 September 2013 for hedging currency and interest rate related risks. Nominal amounts of derivative contracts entered into by the company and outstanding as on 30 September 2013 amount to ₹ 1,202.95 crores (previous year ₹ 3,477.99 crores). Category wise break-up is given below.

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

(₹ Crores)

Sr. No.	Particulars	30-Sep-2013	31-Mar-2012
1	**Interest Rate Swaps**		
	USD/INR	-	476.73
	JPY/INR	40.00	1,150.00
	EUR/INR	-	150.00
		40.00	1,776.73
2	**Currency Options ***	718.80	1,201.21
3	**Forward Contract**		
	- for receivable	351.55	500.05
	- for payable	92.60	-
	TOTAL	1202.95	3,477.99

* Represents monthly currency option for receivables, maturing over a period of 3 years

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

a) **Amount receivable in foreign currency on account of the following**

(₹ Crores)

Particulars		Current Period		Previous Year	
	Foreign Currency	Amount in foreign currency	Rupees	Amount in foreign currency	Rupees
Trade Receivables	USD	1.79	112.52	-	-
	EUR	0.40	34.27	0.19	12.99
	GBP	0.05	5.39	0.00*	0.05
	AED	0.60	10.26	-	-
Fixed Deposits	USD	-	-	0.65	33.50
Cash & Bank balances	LKR	0.12	0.06	-	-
	BDT	0.07	0.06	-	-

*GBP 6,647/-

b) **Amount Payable in foreign currency on account of the following**

(₹ Crores)

Particulars		Current Period		Previous Year	
	Foreign Currency	Amount in foreign currency	Rupees	Amount in foreign currency	Rupees
Secured Loans	USD	39.54	2482.14	27.69	1,416.91
	JPY	-	-	184.87	115.42
	EUR	3.64	308.50	4.39	300.24
Interest accrued but not due	USD	0.19	11.90	0.01	0.76
on loans	EUR	0.01	0.68	0.03	2.09
Unsecured Loan	USD	1.14	96.59	4.65	237.91
	JPY	-	-	2.06	1.29
	EUR	-	-	1.78	121.41
Trade Payables	USD	3.31	207.84	2.90	148.49
	JPY	0.08	0.05	-	-
	EUR	0.12	10.01	0.06	3.82
	CHF	0.01	0.36	0.00*	0.16

*CHF 27,571/-

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

34 During earlier year, Deutsche Bank, Singapore Branch subscribed to unsecured floating rate compulsory convertible bonds issued by Alok Industries International Limited ("Alok BVI") and Grabal Alok (UK) Ltd, a company incorporated in the United kingdom (subsidiary) 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.

35 The company has transferred investments in the form of equity capital in its wholly owned subsidiary namely, Alok H & A Ltd ("Alok H&A"), Alok Land Holdings Private Ltd ("Alok Landholdings"), Alok Retail (India) Ltd. ("Alok Retail") & Alok Apparel Private Ltd. ("Alok Apparel") to Alok Infrastructure Limited ("Alok Infra"), another wholly owned subsidiary. Consequent to such sale of shares, Alok Infra became the immediate holding Company for these subsidiaries in March 2013. Further, vide scheme of amalgamation approved by the Bombay High Court, all such subsidaries were amalgamated with Alok Infra effective 1 April 2012.

36 In line with the amended 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. Added to fixed assets/ capital work-in-progress ₹ 234.73 crores (previous year ₹ 114.47 crores) being exchange difference on long term monetary items relatable to acquisition of fixed assets.

ii. Carried forward ₹ 4.56 crores (previous year ₹ 0.98 crore) in the 'Foreign Currency Monetary Item Translation Difference Account' being the amount remaining to be amortised as at 30 September 2013.

37 ADDITIONAL INFORMATION

Sales for the perod in broad heads

(₹ Crores)

Division	Current Period	Previous Year
a) Sale of Product		
Cotton & Cotton yarn	**260.02**	321.02
Fabric	**11,883.59**	4,093.23
Home textile	**2,594.10**	1,249.58
Garment	**275.08**	217.24
Polyester	**5,270.17**	3,203.33
Others	**27.52**	11.46
TOTAL	**20,310.48**	9,095.86

Raw Material Consumption for the period in broad heads

(₹ Crores)

Division	Current Period	Previous Year
Cotton & Cotton yarn (Refer note i below)	**2,228.33**	1,489.16
Fabric (Refer note ii below)	**7,324.62**	1,540.81
Polyester	**3,939.19**	2,596.85
Others	**416.73**	282.97
TOTAL	**13,908.87**	5,909.79

Note:
i. Includes consumption of ₹ 19.20 crores (Previous year ₹ 111.44 crores) related to incidental sale.
ii Includes consumption of fabric for processing/under outsourcing arrangements.

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

Inventory of Work-in-progress as at 30 September 2013 in broad heads

(₹ Crores)

Division	Current Period	Previous Year
Cotton & Cotton yarn	**43.83**	33.65
Fabric	**4,436.04**	1,877.31
Home textile	**299.46**	250.89
Garment	**15.43**	17.67
Polyester	**53.49**	38.65
Others	**1.21**	2.60
TOTAL	**4,849.46**	2,220.77

38 (i) CIF Value of Imports

(₹ Crores)

	Current Period	Previous Year
- Capital Goods purchased	**268.19**	749.95
- Stores & Spares purchased	**38.97**	68.33
- Raw Material purchased	**1,328.67**	1,281.58
- Packing Materials purchased	**10.92**	6.89
TOTAL	**1,646.75**	2,106.75

(ii) Expenditure in Foreign Currency

(₹ Crores)

Nature of Expenses	Current Period	Previous Year
Commission on sales	**23.15**	15.01
Interest on Fixed Loan	**86.01**	48.28
Legal and Professional Fees	**4.32**	17.03
Marketing service charges	**113.34**	12.98
Sales Promotion Expenses	**2.74**	3.49
Bank Charges	**8.77**	4.31
Exchange Loss	**-**	68.98
Miscellaneous Expenses	**11.60**	15.94
TOTAL	**249.93**	186.02

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

(₹ Crores)

	Current Period				Previous Year			
	Imported		Indigenous		Imported		Indigenous	
	Value	% of Total Consumption	Value	% of Total Consumption	Value	% of Total Consumption	Value	% of Total Consumption
Raw Materials	**1,381.00**	**9.93%**	**12,527.87**	**90.07%**	1,417.97	23.99%	4,491.82	76.01%
Stores and Spares	**47.19**	**59.25%**	**32.46**	**40.75%**	64.87	66.27%	33.02	33.73%
Packing Materials	**10.92**	**4.57%**	**227.75**	**95.43%**	6.89	5.28%	123.47	94.72%

Notes to Financial Statements
for the period from 1 April 2012 to 30 September 2013

(iv) Earning in Foreign Currency

(₹ Crores)

	Current Period	Previous Year
- FOB Value of Exports	**4,667.74**	2,767.98
- Interest received on Fixed Deposits	**-**	0.18

(v) Dividend Remitted in Foreign Exchange

Year of Dividend	Current Period	Previous Year
Equity share		
No. of shareholders	**13**	10
No. of shares held by them	**8,64,800**	13,600
Dividend remitted during the period/year (₹)	**2,59,440.00**	3,400.00
Year to which dividend relates	**F.Y. 2011-12**	F.Y. 2010-11

39 Exceptional Items Include :

i) Exchange loss/ gain arising out of a) restatement of foreign currency liabilities/ assets and b) Mark to market (MTM) losses on foreign exchange derivatives taken by the Company, considering the unusual fluctuation in the Indian Rupee (INR) against US Dollar (USD) aggregating to ₹ 317.39 crores (Previous year ₹ 121.27 crores).

ii) Advances written off ₹ 109.25 crores and loss on sale of investment ₹ 37.10 crores in respect of subsidiaries in the retail business during the period ended 30 September 2013.

40 The Company has extended its accounting year end from 31 March 2013 to 30 September 2013. Accordingly, figures for the current year are for a period of 18 months from 1 April 2012 to 30 September 2013, whereas figures for the previous year are for a period of 12 months and hence such figures are not comparable.

41 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current period's classification/disclosure.

Signatures to Notes 1 to 41

For and on behalf of the Board

Ashok B. Jiwrajka	Executive Chairman
Dilip B. Jiwrajka	Managing Director
Surendra B. Jiwrajka	Joint Managing Director
Sunil O. Khandelwal	Executive Director & Chief Financial Officer
K. H. Gopal	Executive Director & Secretary

Place : Mumbai
Date : November 23, 2013

Notes to Financial Statements

for the period from 1 April 2012 to 30 September 2013

Statement of information to subsidiaries including subsidiaries of subsidiaries (in term of Givernament of India, Ministry of Corporate Affairs General Circular No : 2/2011, No : 5/12/2007-CL-III dated 8th February, 2011) in compliance with section 212 of the Companies Act, 1956 for the period ended 30 September 2013

28. FINANCIAL INFORMATION RELATING TO SUBSIDIARY COMPANIES FOR THE PERIOD ENDED 30 SEPTEMBER 2013

(₹ Crores)

Sr. No.	Name of the subsidiary	Currency	Capital *	Reserve	Total Assets	Total Liabilities **	Investment (Other than investment in Subsidiaries)	Turnover	Profit before Tax	Provision for tax	Profit after tax	Proposed Dividend
1	Alok International Inc.@ (* ₹ 62,777/-)	USD	0.01	10.08	184.17	180.36	6.28	332.05	12.25	3.91	8.34	-
2	Alok Singapore Pte Ltd. (* ₹ 63/-)	USD	0.00	2.74	753.58	750.84	-	891.01	2.76	0.27	2.49	-
3	Alok International (Middle East) FZE	AED	1.71	0.37	945.08	943.00	-	3.57	0.34	-	0.34	-
4	Alok Infrastructure Limited (Refer note no. 41)	INR	0.05	(111.47)	1,880.95	2,155.97	163.60	931.42	(140.72)	0.35	(141.07)	-
5	Grabal Alok International Limited	USD	0.31	(71.63)	432.77	504.08	-	-	(26.60)	-	(26.60)	-
6	Grabal Alok (UK) Limited	GBP	5.77	(463.94)	545.96	1,004.13	-	1,185.66	(210.21)	-	(210.21)	-
7	Kesham Developers & Infotech Pvt. Ltd. @	INR	-	-	-	-	-	-	4.52	1.08	3.44	-
8	Springdale Information & Technology Pvt. Ltd. @	INR	-	-	-	-	-	-	0.25	0.12	0.13	-
9	Alok Industries International Limited	INR	0.31	(296.29)	149.33	1,437.24	4.71	-	(76.34)	-	(76.34)	-
10	Mileta, a.s.	CZK	76.17	17.52	207.96	114.28	-	210.16	17.91	(2.48)	20.39	-
11	Alok Worldwide Limited (Incorporated on 15 July 2013) (₹ 6,278/-)	USD	0.00	-	0.00	-	-	-	-	-	-	-

Note :

For converting the figure given in foreign curency appearing in the accounts of subsidiary companies into equivalent INR, following exchange rate is used for 1 INR

Sr. No.	Currency	Balance Sheet (Closing Rate)	Statement of Profit and Loss (Average Rate)
1	USD	62.777	56.022
2	GBP	101.416	87.795
3	AED	17.112	16.054
4	CZK	3.293	2.845

** Including Share Application Money
@ Liquidation under process

Consolidated Financial Statements

Consolidated Financial Highlights

(₹ Crores)

Particulars	2012-13 (18 Months)	2011-12 (12 Months)	2010-11 (12 Months)	2009-10 (12 Months)	31-Mar-09 (12 Months)
Operating profits					
Net Sales	**21,388.36**	9,784.72	6,614.90	4,424.34	3,090.78
Operating Profit	**5,327.17**	2,471.92	1,707.23	1,231.78	814.45
Depreciation	**1,418.20**	749.14	530.97	366.92	240.15
PBIT	**3,908.97**	1,722.78	1,176.26	864.86	574.30
Interest	**2,495.62**	1,234.70	675.03	578.90	341.03
PBT (operating)	**1,413.35**	488.08	501.24	285.96	233.27
PAT	**296.72**	92.99	311.54	137.71	74.05
Cash Profit	**2,191.29**	971.76	991.72	621.62	405.42
Dividend	**49.25**	28.81	22.97	22.97	17.28
Net Cash Accruals	**2,142.04**	942.95	968.75	598.65	388.14
Financial Position					
Gross Fixed Assets	**14,225.40**	12,420.50	11,658.85	9,324.23	7,131.31
Net Fixed Assets	**10,132.02**	9,776.58	8,413.83	8,167.03	6,333.86
Current Assets	**14,525.82**	9,172.06	6,207.90	5,015.46	3,075.21
Foreign Currency Translation A/c	**-**	-	-	0.17	11.20
Goodwill on consolidation	**182.96**	606.27	156.42	-	-
Investments	**1,345.81**	1,589.42	1,689.98	416.86	463.94
Total Assets	**26,186.61**	**21,144.33**	**16,468.13**	**13,599.52**	**9,884.21**
Equity Share Capital	**1,377.13**	826.28	787.79	787.79	196.97
Reserves & Surplus	**2,108.03**	2,033.10	2,004.27	1,717.14	1,394.40
Tangible Net worth	**3,485.16**	2,859.38	2,792.06	2,504.93	1,591.37
Share Application Money	**-**	-	-	227.57	329.06
Share Warrants	**-**	-	-	-	10.20
Quasi Net worth - 1	**3,485.16**	2,859.38	2,792.06	2,732.50	1,930.63
Deferred tax liability - 2	**653.09**	618.05	500.30	402.96	306.40
Total Long Term Borrowings					
Secured Loans	**11,669.56**	10,011.46	8,088.29	6,763.85	5226.57
Unsecured Loans - FCCB	**-**	-	-	107.21	121.01
Unsecured Loans	**2,278.56**	699.00	338.70	724.21	127.51
	13,948.12	10,710.46	8,426.99	7,595.27	5,475.09
Total Short Term Borrowings					
Secured Loans	**160.00**	815.00	946.63	1,186.19	608.64
Unsecured Loans	**1,269.39**	1,496.28	864.95	43	168.02
Working Capital Borrowings	**4,634.64**	3,028.73	1,884.39	848.11	704.72
	6,064.03	5,340.01	3,695.97	2,077.30	1,481.38
Total Borrowings - 3	**20,012.15**	16,050.47	12,122.96	9,672.57	6,956.47
Total Current Liabilities					
Current Liabilities & Provisions - 4	**2,036.21**	1,616.43	1,048.19	787.87	685.14
Minority Interest - 5	**-**	-	4.62	3.62	5.57
Total Liabilities - 1 to 5	**26,186.61**	**21,144.33**	**16,468.13**	**13,599.52**	**9,884.21**

Consolidated Key Ratios

Particulars	2012-13 (18 Months)	2011-12 (12 Months)	2010-11 (12 Months)	2009-10 (12 Months)	31-Mar-09 (12 Months)
Profitability Ratios					
EBITDA (%)	**24.91%**	25.26%	25.81%	27.84%	26.35%
Profit Before Tax Margin (%)	**6.61%**	4.99%	7.58%	6.46%	7.55%
Profit After Tax Margin (%)	**1.39%**	0.95%	4.71%	3.11%	2.40%
Return on Net worth (%)	**5.68%**	3.25%	11.16%	5.04%	3.84%
Return on Capital Employed (%)	**11.66%**	9.84%	8.58%	8.03%	7.07%
Balance Sheet Ratios					
Net Total Debt - Equity	**5.41**	5.12	3.91	3.02	3.38
Net Total Debt / EBITDA	**5.31**	5.93	6.40	6.71	8.02
Current Ratio	**1.21**	1.00	1.03	1.75	1.42
Coverage Ratios					
PBDIT/Interest	**2.13**	2.00	2.53	2.13	2.39
Debtors Turnover - Days	**132**	82	100	93	108
Inventory Turnover - Days	**155**	138	119	129	126

Auditors' Report on the Consolidated Financial Statements

Independent Auditors' Report

To The Board Of Directors Of Alok Industries Limited

We have audited the accompanying consolidated financial statements of ALOK INDUSTRIES LIMITED (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at 30th September, 2013, the Consolidated Statement of Profit and Loss for the period 1st April 2012 to 30th September 2013 and the Consolidated Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, jointly controlled entities and associates and based on the consideration of unaudited financial statements of associates referred to below in the Other Matters paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 30th September, 2013;

(b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the period ended on that date; and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the period ended on that date.

Emphasis of Matter

We draw attention to note no. 41 of the accompanying financial statements relating to the accounting pursuant to an approved Scheme of Amalgamation of certain subsidiaries, whereby an amount of ₹ 690.08 crores arising from loss on real estate sales commitments/ term sheets entered till 31st March 2013 along with loss in respect of valuation of real estate assets of one of its amalgamating subsidiaries and the excess of liabilities over value of assets taken over, over the cost of investment in shares of the said subsidiaries of ₹ 49.31 crores is adjusted against the Revaluation Reserve amounting to ₹ 776.51 crores created on fair valuation of land of Alok Infrastructure Ltd. Such accounting although different from that prescribed under the Accounting Standards, is in conformity with the accounting principles generally accepted in India as the same has been approved by the High Court.

Our opinion is not qualified in respect of this matter.

Other Matters

(i) We did not audit the financial statements of 5 subsidiaries and 2 jointly controlled entities, whose financial statements reflect total assets (net) of ₹ 1,402.60 crores as at 30th September, 2013, total revenues of ₹ 1,421.70 crores and net cash outflows amounting to ₹ 865.61 crores for the period ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 0.01 crores for the period ended 30th September, 2013, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and an associate, is based solely on the reports of the other auditors.

(ii) The consolidated financial statements also include the Group's share of net profit of ₹ 2.08 crores for the period ended 30th September, 2013, as considered in the consolidated financial statements, in respect of two associates, based on their unaudited financial statements. These financial statements have been certified by the Management of the Company and, our opinion, in so far as it relates to the amounts included in respect of these associates, is based solely on such certified financial statements. Any adjustment to these interim financial statements/information/results could have consequential effects on the attached Statement However, the size of these entities in the context of the Group is not material.

Our opinion is not qualified in respect of above matters.

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI FRN No. 117366W / W-100018

R D Kamat
Partner
Membership no. 36822

MUMBAI, November 23, 2013

Consolidated Balance Sheet
as at 30 September 2013

(₹ Crores)

	Particulars	Notes	As at 30-Sep-13	As at 31-Mar-12
I	**EQUITY AND LIABILITIES**			
	Shareholders' Funds			
	Share Capital	2	**1,377.13**	826.28
	Reserves and Surplus	3	**2,108.03**	2,033.11
	Non-current Liabilities			
	Long-term Borrowings	4	**10,075.99**	8,516.96
	Deferred Tax Liabilities (net)	5	**664.48**	627.07
	Long-term provisions	6	**194.67**	176.71
	Current Liabilities			
	Short-term Borrowings	7	**6,064.03**	5,340.01
	Trade payables	8	**1,277.10**	605.23
	Other current liabilities	9	**4,180.01**	2,908.52
	Short-term provisions	6	**256.56**	119.47
	TOTAL		**26,198.00**	21,153.36
II	**ASSETS**			
	Non-current Assets			
	Fixed assets			
	Tangible assets	10	**9,554.16**	8,811.20
	Intangible assets	10	**27.81**	41.00
	Capital work-in-progress	10	**550.04**	924.38
	Goodwill on Consolidation		**182.96**	606.27
	Non-current Investments	11	**1,345.81**	1,589.41
	Deferred tax assets (net)	5	**11.39**	9.02
	Long-term Loans & Advances	12	**560.76**	389.38
	Current Assets			
	Current Investments	13	**3.20**	3.94
	Inventories	14	**6,038.45**	3,697.12
	Trade receivables	15	**5,168.54**	2,204.00
	Cash & Bank Balances	16	**1,141.41**	1,397.80
	Short-term Loans & Advances	17	**1,526.23**	1,364.06
	Other current assets	18	**87.24**	115.78
	TOTAL		**26,198.00**	21,153.36
III	Significant notes forming part of the financial statements	1 to 46		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

R. D. Kamat
Partner

Place : Mumbai
Date : November 23, 2013

For and on behalf of the Board

Ashok B. Jiwrajka Executive Chairman
Dilip B. Jiwrajka Managing Director
Surendra B. Jiwrajka Joint Managing Director
Sunil O. Khandelwal Executive Director & Chief Financial Officer

K. H. Gopal Executive Director & Secretary

Place : Mumbai
Date : November 23, 2013

Consolidated Statement of Profit and Loss
for the period from 1 April 2012 to 30 September 2013

(₹ Crores)

Particulars	Notes	18 Months Ended 30-Sep-13	12 Months Ended 31-Mar-12
I. REVENUE			
Revenue from Operations (gross)	19	**21,845.09**	10,018.67
Less : Excise Duty		**456.73**	233.95
Revenue from Operations (net)		**21,388.36**	9,784.72
Other Income	20	**94.00**	95.51
Total Revenue		**21,482.36**	9,880.23
II. EXPENSES			
Cost of Materials consumed		**13,941.32**	5,954.54
Purchase of traded goods		**770.43**	780.46
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	**(2,492.04)**	(1,692.18)
Employee benefits expense	22	**733.73**	488.13
Finance costs	23	**2,495.62**	1,234.70
Depreciation and amortisation expense	10	**1,418.20**	749.14
Other expenses	24	**3,201.75**	1,877.36
TOTAL		**20,069.01**	9,392.15
III. Profit before exceptional items and tax		**1,413.35**	488.08
Exceptional items (Refer note no. 43)		**(634.38)**	(121.27)
IV. Profit before tax		**778.97**	366.81
V. Tax Expenses			
- Current tax		**456.04**	172.93
Includes MAT adjustment ₹ 66.27 crores (previous year ₹ 44.12 crores)			
- Excess provision for income taxes in respect of earlier years		**(6.76)**	-
- Deferred tax (Refer note no. 5)		**35.04**	100.97
Total Tax expenses		**484.32**	273.90
VI. Profit for the period/year before share of profit from associates		**294.65**	92.91
Share of profit from Associates		**2.07**	0.08
VII. Net Profit for the period/year		**296.72**	92.99
VIII. EARNINGS PER SHARE (in ₹)	34		
Basic		**3.04***	1.15
Diluted		**3.04***	1.15
* Not annualised			
IX. Significant notes forming part of the financial statements	1 to 46		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

R. D. Kamat
Partner

Place : Mumbai
Date : November 23, 2013

For and on behalf of the Board

Ashok B. Jiwrajka Executive Chairman
Dilip B. Jiwrajka Managing Director
Surendra B. Jiwrajka Joint Managing Director
Sunil O. Khandelwal Executive Director & Chief Financial Officer
K. H. Gopal Executive Director & Secretary

Place : Mumbai
Date : November 23, 2013

Consolidated Cash Flow Statement

for the period from 1 April 2012 to 30 September 2013

(₹ Crores)

Particulars			18 Months ended 30-Sep-13	12 Months ended 31-Mar-12
A]	**Cash Flow from Operating Activities**			
	Net Profit Before Tax		**778.97**	366.81
	Adjustments for:			
	Depreciation / Amortisation		**1,418.20**	749.14
	Diminution in the value of investment		**-**	8.88
	Provision for impairment of fixed assets and intangibles		**6.99**	-
	Provision for impairment of goodwill		**316.99**	-
	Provision for doubtful debts		**86.97**	17.35
	Provision for doubtful advance		**28.37**	2.43
	Employee Stock Option charge		**(2.27)**	2.27
	Exchange rate difference		**316.95**	3.89
	Dividend Income		**(0.20)**	(0.60)
	Share issue expenses		**6.32**	-
	Interest Expense (net)		**2,249.52**	1,108.77
	Loss/(Profit) on sale of fixed assets (net)		**2.98**	(34.88)
	Loss on sale of investments (net)		**7.17**	0.12
	Operating Profit before working capital changes		**5,216.95**	2,224.18
	Adjustments for			
	Increase in Inventories		**(2,302.18)**	(1,381.63)
	Increase in Trade Receivables		**(2,980.15)**	(300.74)
	Increase in Loans and Advances		**(94.26)**	(961.06)
	Increase in Current Liabilities & provisions		**360.63**	93.09
	Cash generated from / (used in) operations		**200.98**	(326.16)
	Income Taxes Paid		**(187.36)**	(129.40)
	Net cash generated from / (used in) Operating Activities	[A]	**13.63**	(455.56)
B]	**Cash flow from Investing Activities**			
	Purchase of Fixed Assets		**(1,717.79)**	(1,551.10)
	Proceeds from sale of fixed assets		**23.14**	49.40
	Purchase of Investments		**(133.91)**	(341.57)
	Proceeds from sale of Investments		**623.13**	135.57
	Fixed Deposits and earmarked balances matured		**461.36**	236.57
	Dividends Received		**0.20**	0.60
	Interest Received		**44.78**	35.86
	Inter Corporate deposits Given		**(64.10)**	(4.49)
	Inter Corporate deposits refunded		**29.75**	-
	Net cash used in Investing Activities	[B]	**(733.44)**	(1,439.16)
C]	**Cash flow from Financing Activities**			
	Proceeds from issue of Equity Share Capital (including premium)		**550.85**	61.19
	Share issue expenses		**(6.32)**	-
	Share Application money (repaid)/received		**(350.00)**	350.00
	Proceeds from Term borrowings		**7,219.68**	2,430.53
	Repayment of Term Borrowings		**(4,518.56)**	(954.59)
	Proceeds from short term borrowings (Net)		**329.29**	1,428.24
	Dividend Paid (Including Tax thereon)		**(30.27)**	(24.76)
	Interest Paid		**(2,284.47)**	(1,130.38)
	Net cash Generated from Financing Activities	[C]	**910.20**	2,160.23
	Net Increase in Cash and Cash equivalents (A+B+C)		**190.39**	265.51
	Cash and Cash equivalents at the beginning of the period/year		**589.27**	165.14
	Cash and Cash equivalents pursuant to amalgamation		**-**	158.62
	Cash and Cash equivalents at the end of the period/year		**779.66**	589.27

Consolidated Cash Flow Statement
for the period from 1 April 2012 to 30 September 2013

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 year and is considered as part of investing activity.

2 Cash and Cash equivalents includes :

(₹ Crores)

	30-Sep-13	31-Mar-12
Cash and Bank Balances (Refer note no. 16)	**1,141.41**	1,397.80
Less : Earmarked balances/deposits with bank*	**342.07**	716.27
Less : Deposit with maturity period of more than 3 months **	**-**	87.16
Less : Unrealised exchange rate difference	**19.68**	5.10
Total Cash and Cash equivalents	**779.66**	589.27

* Earmarked balances/deposits with bank includes balances/deposits held as margin money or security against borrowings, guarantees and other commitments, which being restricted for its use, have been excluded from cash and cash equivalent and grouped under the investing activity.

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

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

4 Previous year's figures have been regrouped/restated wherever necessary.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

R. D. Kamat
Partner

Place : Mumbai
Date : November 23, 2013

For and on behalf of the Board

Ashok B. Jiwrajka Executive Chairman
Dilip B. Jiwrajka Managing Director
Surendra B. Jiwrajka Joint Managing Director
Sunil O. Khandelwal Executive Director & Chief Financial Officer
K. H. Gopal Executive Director & Secretary

Place : Mumbai
Date : November 23, 2013

Notes to Consolidated Financial Statements

for the period from 1 April 2012 to 30 September 2013

1 SIGNIFICANT ACCOUNTING POLICIES

i Basis of Preparation of Financial Statements

These consolidated financial statements of Alok Industries Limited ("the Parent Company") and its Subsidiaries, Joint Ventures and Associate Companies, (together the "Group" or "the Company") have been prepared under the historical cost convention in accordance with the requirements of the Companies Act, 1956 and generally accepted accounting principles in India.

ii Principles of Consolidation

The financial statements of Subsidiary companies, Joint Venture companies and associate companies used in consolidation are drawn up to the same reporting date as that of the Parent Company. The consolidated financial statements 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, intra-group transactions resulting in unrealised 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 unrealised profit or losses, by using "proportionate consolidation" method. The investment in Joint Venture entities over the holding company's portion of equity is recognised 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.

iii Use of Estimates

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

iv Revenue Recognition

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 from construction contracts is recognised by adopting "Percentage Completion

Notes to Consolidated Financial Statements
for the period from 1 April 2012 to 30 September 2013

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 recognised only when it is reasonably certain that the ultimate collection will be made.

v 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 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 rentals under operating leases are recognised as expenses over the lease term in accordance with the respective lease agreements.

c) Assets given on operating lease:

Lease rentals are recognised as income over the lease term.

vi Investments

Investments classified as Long Term Investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of investments. Current investments are carried at cost or fair value whichever is lower.

vii Depreciation / Amortisation

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

b) Cost of leasehold land is amortised over the period of lease.

c) Trademarks / Brands are amortised over the period of ten years from the date of capitalisation.

d) Computer Software is amortised over the period of five years from the date of capitalisation.

e) Goodwill on consolidation is not amortised, but is tested for impairment at each balance sheet date and impairment loss, if any, is provided for.

viii Foreign Currency Transactions and Translation

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 statement of Profit and Loss.

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 recognised in the statement of Profit and Loss. Non-monetary items denominated in foreign currency are carried at historical cost.

However, pursuant to the amended Accounting Standard 11 on "The Effects of Changes in Foreign Exchange Rates", exchange differences arising on restatement of 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 those relate to the acquisition of a depreciable capital asset are added to / deducted from the cost of the asset and depreciated over the balance life of the asset.

ii. In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised to the statement of Profit and Loss over the balance life of the long-term monetary item, however that the period of amortisation does not extend beyond 31 March, 2020.

Foreign Operations :

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 assets and liabilities are translated at rate prevailing at the balance sheet date.

Notes to Consolidated Financial Statements
for the period from 1 April 2012 to 30 September 2013

c) Resulting exchange difference is accumulated in Foreign Currency Translation Reserve account until the disposal of net investment in the said non integral foreign operation.

The translation of the financial statements of integral foreign operations is accounted for as under :

a) All income and expenses are translated at the average rate of exchange prevailing during the year.

b) Monetary assets and liabilities are translated at the closing rate on the balance sheet date.

c) Non-monetary assets and liabilities and share capital is translated at historical rates.

d) The resulting exchange difference is accounted in Exchange difference on translation account and charged / credited to Profit and Loss Account

e) The aforesaid items as translated are considered for the purpose of cash flow statement.

ix Inventories

Items of Inventories are valued on the basis given below:

a) 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.

b) Process stock and Finished Goods: At cost or net realisable values whichever is lower. Cost comprises of cost of purchase (as above), cost of conversion (absorption cost) and other costs incurred in bringing the inventory to their present location and condition.

x Employee Benefits (Refer note no. 35)

a) Defined Contribution Plan

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

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 Statement of Profit and Loss 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 amortised 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 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 are recognised as an expense at undiscounted amount in Statement of Profit and Loss of the year in which the related service is rendered. These benefits include incentive, bonus.

xi Share based compensation

The compensation cost of stock options granted to employees is measured by the intrinsic value method, i.e. difference between the market price of the Company's shares on the date of grant of options and the exercise price to be paid by the option holders. The compensation cost, if any, is amortised over the vesting period of the options.

xii 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.

xiii 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 recognised in the statement of Profit and Loss in the year of accrual / receipt.

xiv 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.

xv Income taxes

Tax expense comprises of current tax and deferred

ALOK INDUSTRIES LIMITED
INNOVATIVE TEXTILE SOLUTIONS

Notes to Consolidated Financial Statements
for the period from 1 April 2012 to 30 September 2013

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 tax 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.

xvi 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.

xvii 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 statement of Profit and Loss 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.

xviii Provisions, Contingent Liabilities and Contingent Assets

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

xix Accounting for Derivatives

a) The company uses derivative instruments like foreign currency forward contracts, foreign currency options and Interest rate swaps 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.

b) Interest Rate Swaps, Foreign Currency Options and Currency Swaps, 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". Thus, mark to market losses (net) are accounted for by the company, net gains are ignored.

c) In respect of foreign currency forward contracts entered into to hedge foreign currency exposure in respect of recognised 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 statement of Profit and Loss. Any gain / loss on cancellation of such forward contracts are recognised as income / expense of the period.

d) The Company designates foreign currency forward contracts taken with respect to highly probable forecast transactions and firm commitments as hedges and accounts for the same by applying the recognition and measurement principles set out in the Accounting Standard (AS) 30 "Financial Instruments: Recognition and Measurement". Accordingly, the Company records the gain or loss on effective cash flow hedges in the Cash Flow Hedging Reserve account until the forecasted transaction materialises. Gain or loss on ineffective cash flow hedges (if any) is recognised in the statement of Profit and Loss. (Refer note no. 42)

Notes to Consolidated Financial Statements
for the period from 1 April 2012 to 30 September 2013

2. SHARE CAPITAL

(₹ Crores)

Particulars	As at 30-Sep-13	As at 31-Mar-12
Authorised		
150,00,00,000 (previous year 100,00,00,000) Equity shares of ₹ 10/- each	**1,500.00**	1,000.00
	1,500.00	1,000.00
Issued 137,71,15,595 Equity shares of ₹ 10/- each	**1,377.13**	826.28
Subscribed and paid up		
137,71,15,595 (Previous year 82,62,69,357) Equity shares of ₹ 10/- each	**1,377.12**	826.27
Add : 13,921 Equity Shares forfeited of ₹ 10/- each ₹ 5/- paid up	**0.01**	0.01
	1,377.13	826.28

Additional information :

(i) The movement in subscribed and paid up share capital is set out below :

(₹ Crores)

Particulars	As at 30-Sep-13 No.of shares	As at 31-Mar-12 No.of shares
Equity shares of ₹ 10/- each		
At the beginning of the period/year	**82,62,69,357**	78,77,84,357
Add : Shares alloted (Refer a, b & c below)	**55,08,46,238**	3,84,85,000
At the end of the period/year	**1,37,71,15,595**	82,62,69,357

a) During the period, 55,08,46,238 Equity shares of ₹ 10/- each were allotted on Right basis in the ratio of 3:2.

b) During the previous year, 1,60,00,000 Equity shares of ₹ 10/- each at a premium of ₹ 41/- each were alloted on conversion of warrants issued by Grabal Alok Impex Limited, the amalgamating company. Such warrants were sold by the original warrant holder to Jiwarajka Investment Private Limited, a promoter group company, which exercised such warrants.

c) During the previous year, 2,24,85,000 Equity shares alloted to the shareholders of Grabal Alok Impex Limited pursuant to the Scheme of Amalgamation for consideration other than cash.

d) Of the remaining 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.

(ii) Shareholders holding more than 5 percent shares in the Company

Name of the Shareholder	As at 30-Sep-13		As at 31-Mar-12	
	No. of shares	%	No. of shares	%
Alok Knit Exports Private Limited *	**395,539,302**	**28.72**	-	-
Niraj Realtors & Shares Private Limited	-	-	71,637,204	8.67
Caledonia Investment PLC	-	-	36,207,135	4.38
Caledonia Investment PLC (FDI)	-	-	24,211,903	2.93

* Out of 39,55,39,302 shares held by Alok Knit Exports Limited, the beneficial owners of 8,44,500 shares are Santosh Jiwrajka (28,500 shares), Kiran Jiwrajka (28,500 shares) & Belisev Fashion Establishments (7,87,500 shares)

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Notes to Consolidated Financial Statements
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(iii) The rights, powers and preferences relating to equity share and the qualifications, limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company. The company has only one class of equity shares having a par value of ₹ 10/- per share. The principle rights are as follows:

a) Each holder of equity share is entitled to one vote per share.

b) The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

c) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

(iv) Shares reserved for issue under options (Refer note no. 33)

(v) The Board of Directors, at its' meeting held on 23 November 2013 has recommended dividend of ₹ 0.30 per share.

3. RESERVES AND SURPLUS

(₹ Crores)

Particulars	As at 30-Sep-13		As at 31-Mar-12	
RESERVES AND SURPLUS				
Capital Reserve				
Balance as per last Balance Sheet	**11.98**		10.23	
Add : on amalgamation*	**-**		1.49	
Add: Transferred from statement of Profit and Loss	**-**		0.26	
Add: Translation difference on restatement	**0.05**		-	
		12.03		11.98
Capital Reserve (on Consolidation)				
Balance as per last Balance Sheet	**14.98**		11.61	
Add : Addition on account of additional investment	**-**		2.70	
Add : Translation difference on restatement	**(0.46)**		0.67	
		14.52		14.98
Revaluation reserve				
Balance as per last Balance Sheet	**3.86**		-	
Adjusted during the period	**(3.86)**		-	
Add : on amalgamation*	**-**		3.86	
Add : on Revaluation during the period (Refer note no. 41)	**776.51**		-	
Less - Utilised for set off against loss on real estate assets and net liabilities taken over on amalgamation (Refer note no. 41)	**(739.39)**		-	
		37.12		3.86
Capital Redemption Reserve				
Balance as per last Balance Sheet	**9.10**		2.20	
Add : on amalgamation*	**-**		6.90	
		9.10		9.10

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(₹ Crores)

Particulars	As at 30-Sep-13		As at 31-Mar-12	
Securities premium account				
Balance as per last Balance Sheet	**993.65**		880.39	
Add : on amalgamation*	**-**		60.15	
Add : Received during the period / year	**-**		65.60	
Less : Premium of redemption of FCCB	**-**		(12.49)	
		993.65		993.65
General Reserve				
Balance as per last Balance Sheet	**281.19**		275.25	
Add : on amalgamation*	**-**		5.63	
Add: Transferred from statement of Profit and Loss	**0.47**		0.31	
		281.66		281.19
Debenture Redemption Reserve				
Balance as per last Balance Sheet	**168.48**		220.38	
Add: Transferred to statement of Profit and Loss	**(76.86)**		(51.90)	
		91.62		168.48
Foreign Currency Translation Reserve				
Balance as per last Balance Sheet	**(64.27)**		9.24	
Add: Created during the period/year	**(265.06)**		(73.51)	
		(329.33)		(64.27)
Cash flow hedging Reserve				
Balance as per last Balance Sheet	**(16.78)**		-	
Add : Change in fair value of cash flow hedges	**-**		(16.78)	
Less: Transferred to Statement of Profit and Loss	**16.78**		-	
		-		(16.78)
Foreign Currency Monetary Item Revaluation Reserve				
Balance as per last Balance Sheet	**(0.98)**		-	
Add: Created during the period	**(3.57)**		(0.98)	
		(4.55)		(0.98)
Employee Stock Options Outstanding				
Balance brought forward from previous year	**2.27**		4.67	
Less : Options lapsed	**(2.27)**		-	
Less : Deferred Employee Compensation expenses	**-**		(2.40)	
		-		2.27
Surplus in Statement of Profit and Loss				
Balance brought forward from previous year	**629.63**		594.97	
Add : on amalgamation* (Refer note no. 41 for current period)	**49.31**		(80.63)	

Notes to Consolidated Financial Statements
for the period from 1 April 2012 to 30 September 2013

(₹ Crores)

Particulars	As at 30-Sep-13		As at 31-Mar-12	
Profit for the period/year	**296.72**		92.99	
Less : Appropriations				
(i) Transferred to General Reserve	**(0.47)**		(0.31)	
(ii) Transferred from Debenture Redemption Reserve	**76.86**		51.90	
(iii) Transferred to Capital Reserve	**-**		(0.26)	
(iv) Proposed Dividend - Equity Shares	**(41.32)**		(24.79)	
(v) Corporate Dividend Tax thereon	**(7.94)**		(4.02)	
(vi) Short provision of dividend and tax thereon	**(0.58)**		(0.22)	
		1,002.21		629.63
		2,108.03		2,033.11

* On amalgamation of Grabal Alok Imex Limited with the company during the previous year.

4 LONG-TERM BORROWINGS

(₹ Crores)

Particulars	As at 30-Sep-13		As at 31-Mar-12	
	Current	Non Current	Current	Non Current
Debentures/Bonds				
Debentures (Secured) (Refer note no. i below)	**70.00**	**730.00**	-	800.00
Compulsorily Convertible Debentures From related party (Unsecured) (Refer note no. 31 & ii below)	**150.67**	**602.66**	-	613.88
Compulsorily Convertible Bonds (Refer note no. 40)	**485.86**	**-**	-	492.74
Term Loans (Secured) (Refer note no. iii and iv below)				
(a) From banks				
-Rupee Loans	**1,956.64**	**5,921.62**	1,365.90	5,848.08
-Foreign currency loans	**532.58**	**1,664.62**	555.87	353.06
	2,489.22	**7,586.24**	1,921.77	6,201.14
(b) From Financial Institutions				
-Rupee Loans	**76.37**	**540.15**	121.47	170.05
-Foreign currency loans	**10.63**	**162.26**	28.12	148.36
	87.00	**702.41**	149.59	318.41
	2,576.22	**8,288.65**	2,071.36	6,519.55
Term Loans (Unsecured) (Refer note no. v below)				
From Banks and Financial Institutions				
-Foreign Currency Loans	**587.14**	**452.23**	119.64	86.62
	587.14	**452.23**	119.64	86.62
Other loans & advances (Refer note no. vi below)				
Vehicle loan from Banks (Secured)	**2.24**	**2.45**	2.50	4.17
	3,872.13	**10,075.99**	2,193.50	8,516.96

Notes to Consolidated Financial Statements
for the period from 1 April 2012 to 30 September 2013

Additional information :

(i) a) Debentures outstanding at the period end are redeemable as follows :

Particulars	Nos.	30-Sep-13 (₹ Crores)	31-Mar-12 (₹ Crores)	Date of Redemption
12.00% Redeemable Non convertible Debentures	375	**37.50**	37.50	01-Feb-20
12.00% Redeemable Non convertible Debentures	375	**37.50**	37.50	01-Aug-19
12.00% Redeemable Non convertible Debentures	375	**37.50**	37.50	01-Feb-19
10.75% Redeemable Non convertible Debentures	334	**33.34**	33.34	18-Oct-18
12.00% Redeemable Non convertible Debentures	375	**37.50**	37.50	01-Aug-18
12.00% Redeemable Non convertible Debentures	375	**37.50**	37.50	01-Feb-18
10.75% Redeemable Non convertible Debentures	333	**33.33**	33.33	18-Oct-17
12.00% Redeemable Non convertible Debentures	375	**37.50**	37.50	01-Aug-17
12.50% Redeemable Non convertible Debentures	300	**30.00**	30.00	03-Mar-17
12.50% Redeemable Non convertible Debentures	366	**36.66**	36.66	02-Mar-17
12.00% Redeemable Non convertible Debentures	375	**37.50**	37.50	01-Feb-17
10.75% Redeemable Non convertible Debentures	333	**33.33**	33.33	18-Oct-16
12.00% Redeemable Non convertible Debentures	375	**37.50**	37.50	01-Aug-16
11.50% Redeemable Non convertible Debentures	600	**60.00**	60.00	29-Jun-16
12.50% Redeemable Non convertible Debentures	367	**36.67**	36.67	02-Mar-16
12.50% Redeemable Non convertible Debentures	300	**30.00**	30.00	02-Mar-16
11.50% Redeemable Non convertible Debentures	700	**70.00**	70.00	28-Jun-15
12.50% Redeemable Non convertible Debentures	367	**36.67**	36.67	03-Mar-15
12.50% Redeemable Non convertible Debentures	300	**30.00**	30.00	03-Mar-15
11.50% Redeemable Non convertible Debentures	700	**70.00**	70.00	28-Jun-14
TOTAL		**800.00**	800.00	

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. Further, Debentures of ₹ 300 crores are secured by first pari passu charge created on fixed assets of the company and Debentures of ₹ 500 crores are secured by subservient charge on fixed and current assets of the Company (excluding Land and Building).

(ii) Compulsorily Convertible Debentures are redeemable in twenty equal quarterly instalments from November 2013.

(iii) Disclosure of Security for term loans

(₹ Crores)

Nature of security	Banks	Financial Institutions	TOTAL
Exclusive charge on Plant & Machinery and specific assets financed *	1,417.65 (1,041.98)	64.49 -	1,482.14 (1,041.98)
Pari passu first charge created on the entire fixed assets of the company #	6,257.45 (3,260.47)	252.03 (314.13)	6,509.48 (3,574.60)
Subservient charge on all movable and current assets of the Company @	2,400.36 (3,820.46)	472.89 (153.87)	2,873.25 (3,974.33)
TOTAL	**10,075.46** **(8,122.91)**	**789.41** **(468.00)**	**10,864.87** **(8,590.91)**

Notes to Consolidated Financial Statements
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* Includes bank loans aggregating to ₹ 428.46 crores (Previous year ₹ 218.47 crores) and loan from financial institution aggregating to ₹ 64.49 crores (Previous year Nil) which are further secured by personal guarantees of promoter directors / group Companies

Includes bank loans aggregating to ₹ 1,184.48 crores (Previous year ₹ 1,060.17 crores) and loan from financial institution aggregating to ₹ 18.28 crores (Previous year 30.47 crores) which are further secured by personal guarantees of promoter directors / group Companies

@ Includes bank loans aggregating to ₹ 80.80 crores (Previous year ₹ 237.47 crores) which are further secured by personal guarantees of promoter directors / group Companies

(iv) Terms of Repayment of Secured Term Loan

(₹ Crores)

Particulars	Rate of Interest*	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years	Total
Rupee Term Loan From Bank	12% - 15.75% (12% - 15.75%)	1,644.17 (1,907.37)	1,365.66 (1,571.73)	1,159.62 (824.29)	1,752.17 (1,544.69)	5,921.62 (5,848.08)
Foreign Currency Term Loan From Banks	1.44% - 6.00% (2.53% - 5.34%)	187.90 (34.57)	228.97 (46.92)	230.04 (62.91)	1,017.71 (208.66)	1,664.62 (353.06)
Rupee Term Loan From Financial Institutions	9.00% - 12.50% (9.00% - 12.50%)	40.63 (125.21)	111.41 (15.63)	108.75 (13.91)	279.36 (15.30)	540.15 (170.05)
Foreign Currency Term Loan From Financial Institutions	2.96% - 5.40% (3.68% - 3.75%)	162.26 (8.90)	- (136.80)	- (0.24)	- (2.42)	162.26 (148.36)
TOTAL		**2,034.96** **(2,076.05)**	**1,706.04** **(1,771.08)**	**1,498.41** **(901.35)**	**3,049.24** **(1,771.07)**	**8,288.65** **(6,519.55)**

* Rate of interest is without considering interest subsidy under TUF Scheme

(v) Terms of Repayment of Unsecured Term Loan

(₹ Crores)

Particulars	Rate of Interest	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years	Total
Foreign Currency Term Loan From Banks	2.88% - 3.50% (3.68% - 3.75%)	398.57 (17.32)	21.46 (17.32)	21.46 (17.32)	10.74 (34.66)	452.23 (86.62)

(vi) Disclosure of security and terms of repayment of Other loans and advances

(₹ Crores)

Nature of security	Banks
Vehicle loans are secured by vehicles under hypothecation with banks	4.69 (6.67)

(₹ Crores)

Particulars	Rate of Interest	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years	Total
Vehicle Loan	9.50% - 11.50% (9.50% - 13.00%)	1.97 (2.50)	0.27 (1.28)	0.21 (0.36)	- (0.03)	2.45 (4.17)

Previous year figures are given in brackets

Notes to Consolidated Financial Statements
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5 DEFERRED TAX LIABILITIES (NET)

(₹ Crores)

Particulars	As at 30-Sep-13	As at 31-Mar-12
I) Deferred Tax Liability		
Depreciation	**816.38**	702.43
Less : Deferred Tax Asset		
Share Issue expenses	**(3.75)**	(2.97)
Mark to Market loss on Derivative Contract	**(51.14)**	(58.26)
Provision for employee benefits	**(8.19)**	-
Provision for doubtful debts and advances	**(88.82)**	(14.13)
Net Deferred Tax Liability	**664.48**	627.07
II) Deferred Tax Asset		
Provision for employee benefits	**2.02**	-
Business / Depreciation loss as per I.T. Act, 1961	**13.76**	11.54
Less : Deferred Tax Liability		
Depreciation	**(4.39)**	(2.52)
Net Deferred Tax Asset	**11.39**	9.02

6 PROVISIONS

(₹ Crores)

Particulars	As at 30.09.2013			As at 31.03.2012		
	Long term	Short term	Total	Long term	Short term	Total
For employee benefits	**17.20**	**7.65**	**24.85**	17.01	7.63	24.64
Mark to Market provision on derivative contracts (Refer note no. 42)	**177.47**	**(27.00)**	**150.47**	159.70	36.65	196.35
Proposed dividend	**-**	**41.32**	**41.32**	-	24.79	24.79
Corporate dividend tax	**-**	**7.02**	**7.02**	-	4.02	4.02
Provision for taxation (net of advance tax)	**-**	**226.58**	**226.58**	-	10.53	10.53
Others	**-**	**0.99**	**0.99**	-	35.85	35.85
TOTAL	**194.67**	**256.56**	**451.23**	176.71	119.47	296.18

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Notes to Consolidated Financial Statements

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7 SHORT-TERM BORROWINGS

(₹ Crores)

Particulars	As at 30-Sep-13		As at 31-Mar-12	
Working Capital Loan Cash Credit accounts, working capital demand loan etc. (Secured) (Refer note no. a below)				
From Banks (including ₹ 911.06 crores (previous year ₹ 730.00 crores) in foreign currency)	**4,365.62**		2,740.46	
From Financial Institutions / Others (including ₹ 102.91 crores (previous year ₹ Nil) in foreign currency)	**183.47**	**4,549.09**	130.74	2,871.20
Cash Credit accounts, working capital demand loan etc. (Unsecured)				
From banks (including ₹ 29.08 crores (previous year ₹ Nil) in foreign currency)		**85.55**		157.53
Compulsorily Convertible Debentures From related party (Unsecured) (Refer note no. 31)		**241.69**		196.95
Commercial Paper (Unsecured)				
From Banks	**-**		103.00	
From Financial Institutions	**-**	**-**	335.00	438.00
Short term loan				
Secured				
Rupee Loans				
From Banks	**100.00**		730.00	
From Financial Institutions	**60.00**	**160.00**	85.00	815.00
Unsecured				
Rupee Loans				
From Banks		**-**		577.90
Foreign currency loans				
From Banks		**671.58**		277.44
Deposits (Unsecured)				
-Deposit from Public		**0.94**		-
Inter Corporate Deposit (Unsecured)		**-**		5.99
From Related party (Unsecured) (Refer note no. 31)		**355.18**		-
TOTAL		**6,064.03**		5,340.01

Notes to Consolidated Financial Statements
for the period from 1 April 2012 to 30 September 2013

Additional information :

a) Disclosure of security

Nature of security	Banks	Financial Institutions/ Others	TOTAL
Working capital loans :			
(i) Hypothecation of company's current assets and mortgage of certain immovable properties belonging to the company / Guarantor. (ii) Second charge created / to be created on all fixed assets (excluding land and building) of the company	3,950.66	81.43	4,032.09
	(2,396.53)	(40.35)	(2,436.88)
Subservient charge created / to be created on all moveable and current assets of the company.	290.27	102.04	392.31
	(343.93)	(90.39)	(434.32)
Fixed and floating charge over the assets of the company and personal guarantee of directors	101.10	-	101.10
	(-)	(-)	(-)
Pledge of certain immovable assets	23.59	-	23.59
	(-)	(-)	(-)
TOTAL	4,365.62	183.47	4,549.09
	(2,740.46)	(130.74)	(2,871.20)
Short Term Loans			
Subservient charge on all moveable and current assets of the Company	100.00	60.00	160.00
	(537.00)	(85.00)	(622.00)
Fixed Deposit placed with the bank.	-	-	-
	(193.00)	-	(193.00)
TOTAL	100.00	60.00	160.00
	(730.00)	(85.00)	(815.00)

Previous year figures are given in brackets

8. TRADE PAYABLE

(₹ Crores)

Particulars	As at 30-Sep-13	As at 31-Mar-12
Total outstanding due to :		
Creditors for supplies / services	**1,246.85**	587.53
(Including acceptances ₹ 105.86 crores (previous year ₹ 2.20 crores)		
Creditors for accrued wages and salaries etc.	**30.24**	17.70
TOTAL	**1,277.10**	605.23

Notes to Consolidated Financial Statements
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9 OTHER CURRENT LIABILITIES

(₹ Crores)

Particulars	As at 30-Sep-13	As at 31-Mar-12
Current maturities of long-term borrowings (Refer note no 4)	**3,872.13**	2,193.50
Interest accrued but not due on borrowings	**25.65**	13.55
Unclaimed dividends	**1.08**	1.05
Share application money received by subsidiary company	**-**	350.00
Other payables		
Advance from customers	**200.99**	68.86
Deposit received	**1.61**	-
Creditors for Expenses	**-**	139.23
Creditors for Capital Goods	**34.58**	35.00
Creditors for statutory Liabilities	**32.82**	9.95
Premium on redemption of FCCB	**-**	43.14
Advance from Related parties (Refer note no. 31)	**1.57**	14.75
Temporary overdrawn bank balance (Refer i below)	**9.58**	25.12
Forward Contract Payable	**-**	10.89
Advance from Others	**-**	3.48
TOTAL	**4,180.01**	2,908.52

Additional information :

(i) Temporary overdrawn bank balances are as per books consequent to issue of cheques at the period end, though the banks have positive balances as on that date.

Notes to Consolidated Financial Statements
for the period from 1 April 2012 to 30 September 2013

10. FIXED ASSETS

(₹ Crores)

Sr. No.	Description Of Assets	Gross Block				Depreciation				Net Block	
		As at 01.04.12	Additions	Deductions/ Adjustments	As at 30.09.13	As at 01.04.12	For The Period	Deductions / Adjustments	As at 30.09.13	As at 30.09.13	As at 31.03.12
	TANGIBLE ASSETS										
1	Freehold Land	120.74	11.71	3.67	**128.78**	-	-	-	**-**	**128.78**	120.74
2	Leasehold Land	3.41	0.01	(0.03)	**3.45**	0.33*	0.14	(0.03)	**0.50**	**2.95**	3.08
3	Factory Building	2,251.73	423.78	(6.42)**	**2,681.93**	266.46	115.62	4.91**	**377.17**	**2,304.76**	1,985.27
4	Office Premises	77.00	110.31	(3.80)	**191.11**	31.11	4.03	(3.32)	**38.46**	**152.65**	45.89
5	Plant and Machinery	8,383.28	1,559.34	1.82	**9,940.80**	2,103.55	1,212.19	(3.15)	**3,318.89**	**6,621.91**	6,279.73
6	Computer and Peripherals	33.76	2.53	(3.67)	**39.96**	20.41	7.00	(3.02)	**30.43**	**9.53**	13.35
7	Office Equipment	12.21	1.07	0.29	**12.99**	3.93	1.26	0.02	**5.17**	**7.82**	8.28
8	Furniture and Fittings	410.41	7.33	(56.53)	**474.27**	149.31	46.95	(32.66)#	**228.92**	**245.35**	261.10
9	Vehicles	29.55	1.88	3.98	**27.45**	11.11	4.83	3.77	**12.17**	**15.28**	18.44
10	Tools and Equipment	73.08	14.98	0.64	**87.42**	15.94	10.24	0.08	**26.10**	**61.32**	57.14
	Sub - Total	**11,395.17**	**2,132.94**	**(60.05)**	**13,588.16**	**2,602.15**	**1,402.26**	**(33.40)**	**4,037.81**	**9,550.35**	**8,793.02**
	LEASED ASSETS										
1	Buildings	19.33	-	14.97**	**4.36**	1.15	0.18	0.78**	**0.55**	**3.81**	18.18
	Sub - Total A	**11,414.50**	**2,132.94**	**(45.08)**	**13,592.52**	**2,603.30**	**1,402.44**	**(32.62)**	**4,038.36**	**9,554.16**	**8,811.20**
	Sub - Total A Previous Year	9,128.72	2,302.48	16.70	**11,414.50**	1,658.45	739.62	(205.32)	**2,603.30**	**8,811.20**	
	INTANGIBLE ASSETS										
1	Computer Software	26.68	5.48	4.37	**27.79**	13.94	7.06	1.35#	**19.65**	**8.14**	12.74
2	Trademarks / Brands	54.94	0.11	-	**55.05**	26.68	8.70	-	**35.38**	**19.67**	28.26
	Sub - Total B	**81.62**	**5.59**	**4.37**	**82.84**	**40.62**	**15.76**	**1.35**	**55.03**	**27.81**	**41.00**
	Sub - Total B Previous Year	74.45	7.84	0.67	**81.62**	30.87	9.52	(0.23)	**40.62**	**41.00**	
	Total	**11,496.12**	**2,138.53**	**(40.71)**	**13,675.36**	**2,643.92**	**1,418.20**	**(31.27)**	**4,093.39**	**9,581.97**	**8,852.20**
	Total Previous Year	9,203.17	2,310.32	17.37	**11,496.12**	1,689.32	749.14	(205.46)	**2,643.92**	**8,852.20**	
CAPITAL WORK-IN-PROGRESS										**550.04**	924.38

Notes to Consolidated Financial Statements
for the period from 1 April 2012 to 30 September 2013

Notes

1. **Plant & Machinery includes :**

   a Exchange difference (net) of ₹ 220.80 crores (Previous year gain of ₹ 97.60 crore) on restatement of long term borrowings payable in foreign currency.

   b Interest capitalised ₹ 71.95 crores (Previous year ₹ 77.92 crores)

2. Intangible assets consists of Trade Marks / Brands aggregating to ₹ 55.04 crores (Previous year ₹ 55.04 crores) (Gross) [Written down value ₹ 20.64 crores (Previous year ₹ 28.90 crores)], which are registered in the name of a 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. **Capital work in progress includes**

   a Exchange difference (net) of ₹ 13.93 crores (Previous year ₹ 16.87 crores) on restatement of long term borrowings payable in foreign currency.

   b Interest capitalised ₹ 59.52 crores (Previous year ₹ 29.14 crores)

   c Expenditure incurred ₹ 476.59 crores (Previous year ₹ 878.37 crores) on account of construction material and plant and machinery under erection.

4. Addition on account of Exchange difference (Net) in respect of translation of fixed assets values into INR included under deductions/adjustments is as follows :

(₹ Crores)

Particulars	Gross Block	Depreciation
Freehold Land	4.49	-
Factory Building	6.72	4.97
Office Premises	9.87	6.60
Furniture and Fittings	72.98	34.77
Plant and Machinery	15.72	11.59
Computer and Peripherals	0.65	0.61
Vehicles	0.89	0.74
Computer Software	0.76	0.75

5. Additions for the previous year include cost of ₹ 604.09 crores and accumulated depreciation of ₹ 208.09 crores of tangible assets and cost of ₹ 0.25 crores and accumulated depreciation of ₹ 0.23 crores of intangible assets on amalgamation of Grabal Alok Impex Limited with the Company.

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

** Building given on operating lease in previous year ₹14.97 crores (Written down value ₹ 14.19 crores) for which lease period has expired during current period has been reclassified to Building.

#Includes provision for impairment agreegating to ₹ 5.69 crores in respect of furniture and fittings and ₹ 1.30 crores in respect of computer software.

Notes to Consolidated Financial Statements
for the period from 1 April 2012 to 30 September 2013

11. NON CURRENT INVESTMENTS

(₹ Crores)

Particulars	As At 30-Sep-13		As at 31-Mar-12	
Investment Property :				
Real Estate Assets (Refer note no 41 and i below)		**409.41**		1,429.05
Freehold Land (Refer note no 41)		**806.28**		33.18
		1,215.69		1,462.23
Investments in Equity Instruments (at cost)				
In Associate companies - unquoted				
Next Creations Holdings LLC, subscription towards 33% membership interest	**4.47**		4.47	
Less : share in post acquisition accumulated loss	**(2.79)**		(0.72)	
		1.68		3.75
Alspun Infrastructure Limited	**0.10**		0.10	
[25,000 Equity shares of ₹ 10 each]				
(Including goodwill on acquisition of stake of associates ₹ 0.04 crores)				
Less : share in post acquisition accumulated loss	**(0.08)**		(0.07)	
		0.02		0.03
Ashford Infotech Private Limited	**2.50**		2.50	
[50,000 Equity Share of ₹ 10 each]				
Add/(Less) : share in post acquisition accumulated profit/(loss)	**4.09**		(0.06)	
		6.59		2.44
In Others - Unquoted				
Triumphant Victory Holdings Limited		**0.00**		0.00
[2 equity share of USD 1 each ₹ 90.14]				
Dombivali Nagari Sahakari Bank Limited.		**0.05**		0.05
[10,000 Equity Shares of ₹ 50/- each]				
Kalyan Janata Sahakari Bank Limited		**0.03**		0.03
[10,000 Equity Shares of ₹ 25/- each]				
Saraswat Bank Limited (₹ 25,000/-)		**0.00**		0.00
[2500 Equity Shares of ₹ 10/- each]				
Wel-Treat Environ Management Organisation (₹ 36,500/-)		**0.00**		0.00
[3,650 Equity Shares of ₹ 10 each]				
		8.37		6.30
Investment in Preference shares (unquoted)				
In Associates Company				
Ashford Infotech Private Limited		**65.49**		65.49
[5,00,000 Shares ₹ 10 each]				
Alspun Infrastructure Limited		**16.22**		16.22
[5,00,000 Shares ₹ 10 each]				
		81.71		81.71

Notes to Consolidated Financial Statements
for the period from 1 April 2012 to 30 September 2013

(₹ Crores)

Particulars	As At 30-Sep-13		As at 31-Mar-12	
In Others				
Triumphant Victory Holdings Limited		**4.71**		3.84
[7,50,000 Shares USD 1 each]				
Others				
Interest in Alok Benefit Trust (Refer note no 39)		**35.33**		35.33
[1,94,59,382 Equity Shares of ₹ 10/- each]				
PowerCor				
Subscription towards 5% Group B Membership interest	**46.49**		37.88	
Less: Provision	**(46.49)**		(37.88)	
		-		-
Aisle 5 LLC				
22 senior units of the equity capital	**8.22**		6.70	
Less: Provision	**(8.22)**		(6.70)	
		-		-
		40.04		39.17
TOTAL		**1,345.81**		1,589.41

Note:

(i) Goodwill on consolidation included ₹ 106.32 crores on account of investments in two subsidiaries of the group, which are in the process of voluntary liquidation. The group has acquired real estate assets of such subsidiaries against the investments made, at fair market value which fully covers the cost of investments and accordingly, goodwill on consolidation stands adjusted by such amount.

12 LONG TERM LOANS & ADVANCES (Unsecured)

(₹ Crores)

Particulars	As at 30-Sep-13	As at 31-Mar-12
Considered good		
Capital advances	**428.53**	222.76
Lease & Security deposits	**12.98**	16.57
Advance Tax (Net of Provision for Tax)	**31.83**	17.90
MAT Credit entitlement	**-**	66.27
Prepaid Expenses	**87.42**	65.88
	560.76	389.38
Considered doubtful		
Capital advances	**14.90**	3.76
Less : Provision for doubtful advance	**14.90**	3.76
TOTAL	**560.76**	389.37

Notes to Consolidated Financial Statements
for the period from 1 April 2012 to 30 September 2013

13. CURRENT INVESTMENTS (at cost)

(₹ Crores)

Particulars	As at 30-Sep-13	As at 31-Mar-12
Investments in debentures or bonds		
Laxmi Vilas Bank Tier II Bonds	**2.00**	2.00
[20 Bonds of ₹ 10,00,000 each]		
Investments in Mutual funds - Unquoted		
Axis Infrastructure Fund 1	**0.73**	1.94
[7,314 (previous year 19,378) units of ₹ 1000/- each]		
UTI-Treasury Advantage Fund	**0.47**	-
[4,642.198 (previous year Nil) units of ₹ 10/- each]		
TOTAL	**3.20**	3.94

14. INVENTORIES
(At lower of cost or net realisable value)

(₹ Crores)

Particulars	As at 30-Sep-13	As at 31-Mar-12
Raw Materials (Includes material in transit ₹ 58.26 crores (previous year ₹ 62.09 crores)	**305.87**	446.05
Work-in-progress	**4,890.13**	2,278.38
Finished Goods	**556.01**	673.83
Stock in trade (Traded Goods)	**216.68**	218.57
Stores & Spares	**64.83**	73.27
Packing Material	**4.93**	7.02
TOTAL	**6,038.45**	3,697.12

15. TRADE RECEIVABLES (Unsecured)

(₹ Crores)

Particulars	As at 30-Sep-13	As at 31-Mar-12
Debts Outstanding for a period exceeding six months from due date	**84.43**	102.31
Less : Provision for doubtful debts	**33.99**	20.70
	50.44	81.61
Other Debts	**5,192.93**	2,129.35
Less : Provision for doubtful debts	**74.83**	6.96
	5,118.10	2,122.39
TOTAL	**5,168.54**	2,204.00
Considered Good	**5,168.54**	2,204.00
Considered Doubtful	**108.82**	27.66
TOTAL	**5,277.36**	2,231.66

NOTE :

(i) Sundry Debtors includes ₹ 82.87 crores (previoue year ₹ 70.72 crores) towards contractual obligations on account of Export Incentives Receivables.

(ii) Refer note no. 31 for related party balances.

Notes to Consolidated Financial Statements
for the period from 1 April 2012 to 30 September 2013

16 CASH & BANK BALANCES

(₹ Crores)

Particulars	As at 30-Sep-13	As at 31-Mar-12
A. Cash and Cash equivalents		
Cash on hand	**1.72**	0.66
Balance with Bank		
In Current Accounts	**797.37**	563.38
EEFC Accounts	**0.03**	0.98
In Deposit Accounts [Including interest accrued thereon] (Refer note no (i) and (ii) below) - Original maturity of 3 months or less	**0.22**	79.55
B. Other bank balances		
(i) In deposit accounts		
- Original maturity of more than 3 months (Refer note no (i) and (ii) below)	**-**	36.96
(ii) In earmarked accounts		
Unclaimed dividend accounts	**1.08**	1.08
Balances / Deposits held as margin money or security against borrowings, guarantee and other commitments (Refer note no (i) and (ii) below)	**340.99**	715.19
TOTAL	**1,141.41**	1,397.80

Additional information :

(i) Balances with banks includes deposits amounting to ₹ Nil (Previous year ₹ 22.64 crores) and margin monies amounting to ₹ 22.33 crores (previous year ₹ 77.63 crores) which have an original maturity of more than 12 months.

Balances with banks includes deposits amounting to ₹ Nil (previous year ₹ 2.16 crores) and margin monies amounting to ₹ 4.26 crores (previous year ₹ 2.81 crores) which have a maturity of more than 12 months from the Balance Sheet date

(ii) Includes ₹ Nil (previous year ₹ 33.49 crores) kept in bank deposits and ₹ Nil (previous year ₹ 8.55 crores) margin money pending utilisation towards project.

(iii) Includes ₹ Nil (previous year ₹ 437.57 crores) pledged with banks towards loan availed by subsidiary company.

Notes to Consolidated Financial Statements
for the period from 1 April 2012 to 30 September 2013

17 SHORT-TERM LOANS AND ADVANCES

(₹ Crores)

Particulars	As at 30-Sep-13	As at 31-Mar-12
Secured		
Inter Corporate Deposits (since recovered)	**36.50**	-
Unsecured		
Loans & advances to Related parties (Refer note no. 31)	**11.63**	9.22
Others		
Loans to vendors	**941.45**	798.47
Advance to vendors	**96.90**	173.14
Advance to Staff (Refer note below)	**5.80**	9.36
Balance with Central Excise, Customs and Sales Tax Authorities	**244.54**	282.25
Prepaid Expenses	**162.46**	69.29
Inter Corporate Deposits	**1.54**	3.69
Advance Tax (Net of provision for tax)	**15.59**	9.13
Deposits others	**9.82**	9.51
	1,489.73	1,364.06
Considered doubtful		
Advance to others	**24.44**	20.60
Less : Provision	**24.44**	20.60
	-	-
TOTAL	**1,526.23**	1,364.06

Additional information:

Advance to staff includes ₹ 0.23 crores (Previous year ₹ 0.18 crores) due from officers of the Company [maximum amount outstanding during the year ₹ 0.40 crores (Previous year ₹ 1.27 crores)]

18 OTHER CURRENT ASSETS (Unsecured)

(₹ Crores)

Particulars	As at 30-Sep-13	As at 31-Mar-12
Considered Good		
Interest Subsidy Receivable	**77.18**	88.09
Unutilised DEPB Licence	**2.10**	25.98
Interest Receivable	**7.73**	0.32
Insurance Claim Receivable	**-**	1.11
Balances with Central Excise Authorities	**0.05**	0.05
Rent Receivable	**0.18**	0.23
TOTAL	**87.24**	115.78
Considered Doubtful		
Interest Subsidy Receivable	**24.03**	9.31
Less : Provision	**24.03**	9.31
	-	-
TOTAL	**87.24**	115.78

Notes to Consolidated Financial Statements
for the period from 1 April 2012 to 30 September 2013

19. REVENUE FROM OPERATIONS

(₹ Crores)

Particulars	18 Months ended 30-Sep-13	12 Months ended 31-Mar-12
Sale of product		
Sales - Local	**15,256.91**	6,165.75
Sales - Export	**6,523.68**	3,813.27
	21,780.59	9,979.02
Sale of services		
Job work charges collected	**50.01**	31.19
Other operating revenue		
Sale of Scrap	**14.49**	8.46
TOTAL	**21,845.09**	10,018.67

20. OTHER INCOME

(₹ Crores)

Particulars	18 Months ended 30-Sep-13	12 Months ended 31-Mar-12
Interest Income		
Bank Fixed Deposits	**34.59**	32.68
Inter corporate deposits	**4.30**	-
Others	**13.30**	4.84
	52.19	37.52
Dividend Income :		
On Long Term Investments	**0.02**	0.02
On Current Investments	**0.18**	0.58
	0.20	0.60
Profit on sale of fixed assets (net)	**-**	34.88
Provision for doubtful debts written back	**-**	2.21
Provision for doubtful advance written back	**2.00**	-
Insurance claim received (Net)	**20.95**	12.40
Rent Received	**3.67**	2.34
Sundry Credit Balances written back	**9.01**	3.40
Other non operating Income	**5.98**	2.16
	41.61	57.39
TOTAL	**94.00**	95.51

Notes to Consolidated Financial Statements
for the period from 1 April 2012 to 30 September 2013

21. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ Crores)

Particulars	18 Months ended 30-Sep-13	12 Months ended 31-Mar-12
CLOSING STOCK AS ON 30 SEPT 2013		
Finished Goods	**556.01**	673.83
Work-in-progress	**4,890.13**	2,278.38
Stock in trade (Traded Goods)	**216.68**	218.57
	5,662.82	3,170.78
LESS : OPENING STOCK AS ON APRIL 1,2012*		
Finished Goods	**673.83**	510.21
Work-in-progress	**2,278.38**	900.36
Stock in trade (Traded Goods)	**218.57**	68.03
	3,170.78	1,478.60
TOTAL	**(2,492.04)**	(1,692.18)

*Includes inventory taken over on amalgamation

22 EMPLOYEE BENEFIT EXPENSES

(₹ Crores)

Particulars	18 Months ended 30-Sep-13	12 Months ended 31-Mar-12
Salaries and Wages	**686.92**	444.23
Contribution to Provident Fund and Other Funds	**40.26**	32.53
Employee Stock Option Compensation Expenses	**(2.27)**	2.27
Employees Welfare Expenses	**8.82**	9.10
TOTAL	**733.73**	488.13

23 FINANCE COSTS

(₹ Crores)

Particulars	18 Months ended 30-Sep-13	12 Months ended 31-Mar-12
Interest expense:	**2,264.35**	1,144.89
(Net of interest subsidy ₹ 182.85 crores (Previous year ₹ 131.11 crores) and		
recovery of ₹ 318.00 crores (Previous year ₹ 140.02 crores))		
Interest on late payment of taxes	**6.34**	2.04
Other Borrowing cost	**224.93**	87.77
TOTAL	**2,495.62**	1,234.70

Notes to Consolidated Financial Statements
for the period from 1 April 2012 to 30 September 2013

24 OTHER EXPENSES

(₹ Crores)

Particulars	18 Months ended 30-Sep-13		12 Months ended 31-Mar-12	
Stores and Spares Consumed		**80.43**		98.34
Packing Materials Consumed		**238.87**		130.97
Power and Fuel		**1,148.76**		667.25
Processing Charges		**117.25**		66.62
Labour Charges		**107.87**		68.22
Excise Duty		**16.54**		6.27
Donation		**4.10**		1.21
Freight, Coolie and Cartage		**244.37**		112.90
Legal and Professional Fees		**47.61**		37.88
Share Issue Expenses		**6.32**		-
Rent		**239.07**		26.57
Rates and Taxes		**98.20**		6.11
Repairs and Maintenance				
Plant and Machinery	**20.08**		16.91	
Factory Building	**3.41**		2.18	
Others	**21.41**		9.93	
		44.90		29.02
Commission on Sales		**72.46**		43.17
Loss on exchange rate difference/derivative (Net)		**222.83**		282.51
Provision for Doubtful Debts		**86.97**		17.35
Provision for Doubtful Advances		**30.37**		2.43
Bad debts and other advances written off		**0.18**		12.18
Directors Remuneration		**18.18**		7.20
Directors Fees and Commission		**7.56**		5.27
Auditors remuneration (excluding service tax)				
Audit and other Fees	**4.09**		2.08	
Tax related services	**0.06**		-	
Certification fees	**0.81**		0.04	
Reimbursement of expenses	**0.01**		-	
		4.97		2.12
Insurance		**42.96**		13.04
Loss on Sale of Investment (net)		**7.17**		0.12
Loss on sale of Assets (Net)		**2.98**		-
Diminution in value of investment		**-**		8.88
Provision for impairment of fixed assets and intangibles		**6.99**		-
Miscellaneous Expenses (Miscellaneous Expenses includes Bank Charges, agency and clearing charges, security expenses etc.)		**303.84**		231.73
TOTAL		**3,201.75**		1,877.36

Notes to Consolidated Financial Statements
for the period from 1 April 2012 to 30 September 2013

25. The subsidiary companies considered in the consolidated financial statements are:

Sr. No.	Name of the subsidiary companies	Country of Incorporation	Ownership Interest 30-Sep-13	Ownership Interest 31-Mar-12
1	Alok Infrastructure Limited	India	**100%**	100%
2	Alok Land Holdings Private Limited #	India	**100%**	100%
3	Alok Realtors Private Limited #	India	**100%**	100%
4	Alok Retail (India) Limited #	India	**100%**	100%
5	Alok Apparels Private Limited #	India	**100%**	100%
6	Alok Industries International Limited	British Virgin Island	**100%**	100%
7	Alok International Inc.	USA	**100%**	100%
8	Mileta, a. s.	Czech Republic	**100%**	100%
9	Alok H&A Limited #	India	**100%**	100%
10	Springdale Information and Technologies Private Limited @	India	**100%**	100%
11	Kesham Developers & Infotech Private Limited @	India	**100%**	100%
12	Grabal Alok International Limited	British Virgin Island	**100%**	100%
13	Grabal Alok (UK) Limited	UK	**90.43%**	90.43%
14	Alok Singapore Pte Ltd. (incorporated on 28 December 2011)	Singapore	**100%**	100%
15	Alok International (Middle East) FZE (incorporated on 01 August 2011)	Dubai	**100%**	100%
16	Alok New City Infratex Private Limited *	India	**-**	100%
17	Alok Aurangabad Infratex Private Limited *	India	**-**	100%
18	Alok HB Hotels Private Limited *	India	**-**	100%
19	Alok HB Properties Private Limited *	India	**-**	100%
20	Alok Inc. (Closed during the period)	USA	**-**	100%
21	Alok European Retail, s.r.o. (Closed during the period)	Czech Republic	**-**	100%
22	Alok Worldwide Limited (incorporated on 15 July 2013)	British Virgin Island	**100%**	-

* Pursuant to the plan of exiting real estate business, such companies were liquidated during the previous year

@ Liquidation under process

\# Amalgamated with Alok Infrastructure Limited during the period (Refer note no.41)

For financial information of subsidiary companies, (refer note no. 28)

26 Joint Venture companies considered in the consolidated financial statements are:

Sr. No.	Name of the joint ventures companies	Country of Incorporation	Ownership Interest 30-Sep-13	Ownership Interest 31-Mar-12
1	Aurangabad Textile and Apparel Park Limited	India	**49.00%**	49.00%
2	New City of Bombay Mfg. Mills Limited	India	**49.00%**	49.00%

Notes to Consolidated Financial Statements
for the period from 1 April 2012 to 30 September 2013

The following amounts are included in the Consolidated Financial Statements in respect of Jointly Controlled Entities based on "proportionate consolidation" method, as per Accounting Standard 27 on "Financial Reporting of Interest in Joint Venture"

(₹ Crores)

Particulars	As at 30-Sep-13	As at 31-Mar-12
ASSETS		
Fixed Assets	**4.66**	4.72
Inventories	**0.97**	0.43
Trade Receivables	**32.95**	29.08
Cash and Bank Balances	**0.22**	4.32
Loans and Advances	**10.98**	15.59
Investments	**0.47**	-
Other Current Assets	**0.71**	-
LIABILITIES		
Trade Payables & Other Current liabilities	**8.20**	10.17
Provisions	**0.43**	0.05
Deferred Tax Liability	**0.34**	0.18

(₹ Crores)

Particulars	18 Months ended 30-Sep-13	12 Months ended 31-Mar-12
INCOME		
Sales	**99.58**	95.34
Other Income	**2.48**	1.93
EXPENSES		
Manufacturing and Other Expenses	**98.17**	92.83
Depreciation	**0.37**	0.19
Provision for Tax	**1.33**	1.10

27. The Associate companies considered in the consolidated financial statements are:

Sr. No.	Name of the subsidiary companies	Country of Incorporation	Ownership Interest 30-Sep-13	Ownership Interest 31-Mar-12
1	Ashford Infotech Private Limited *	India	**50.00%**	50.00%
2	Alspun Infrastructure Limited	India	**50.00%**	50.00%
3	Next Creations Holdings LLC *	USA	**33.00%**	33.00%

* Consolidated based on unaudited financial statement / information.

Notes to Consolidated Financial Statements
for the period from 1 April 2012 to 30 September 2013

Statement of information to subsidiaries including subsidiaries of subsidiaries (in term of Government of India, Ministry of Corporate Affairs General Circular No : 2/2011, No : 5/12/2007-CL-III dated 8th February, 2011) in compliance with section 212 of the Companies Act, 1956 for the period ended 30 September 2013

28. FINANCIAL INFORMATION RELATING TO SUBSIDIARY COMPANIES FOR THE PERIOD ENDED 30 SEPTEMBER 2013

(₹ Crores)

Sr. No.	Name of the subsidiary	Currency	Capital *	Reserve	Total Assets	Total Liabilities **	Investment (Other than investment in Subsidiaries)	Turnover	Profit before Tax	Provision for tax	Profit after tax	Proposed Dividend
1	Alok International Inc. (* ₹ 62,777/-)	USD	0.01	10.08	184.17	180.36	6.28	332.05	12.25	3.91	8.34	-
2	Alok Singapore Pte Ltd. (* ₹ 63/-)	USD	0.00	2.74	753.58	750.84	-	891.01	2.76	0.27	2.49	-
3	Alok International (Middle East) FZE	AED	1.71	0.37	945.08	943.00	-	3.57	0.34	-	0.34	-
4	Alok Infrastructure Limited (Refer note no. 41)	INR	0.05	(111.47)	1,880.95	2,155.97	163.60	931.42	(140.72)	0.35	(141.07)	-
5	Grabal Alok International Limited	USD	0.31	(71.63)	432.77	504.08	-	-	(26.60)	-	(26.60)	-
6	Grabal Alok (UK) Limited	GBP	5.77	(463.94)	545.96	1,004.13	-	1,185.66	(210.21)	-	(210.21)	-
7	Kesham Developers & Infotech Pvt. Ltd. @	INR	-	-	-	-	-	-	4.52	1.08	3.44	-
8	Springdale Information & Technology Pvt. Ltd. @	INR	-	-	-	-	-	-	0.25	0.12	0.13	-
9	Alok Industries International Limited	INR	0.31	(296.29)	149.33	1,437.24	4.71	-	(76.34)	-	(76.34)	-
10	Mileta, a.s.	CZK	76.17	17.52	207.96	114.28	-	210.16	17.91	(2.48)	20.39	-
11	Alok Worldwide Limited (Incorporated on 15 July 2013) (₹ 6,278/-)	USD	0.00	-	0.00	-	-	-	-	-	-	-

Note :

For converting the figure given in foreign curency appearing in the accounts of subsidiary companies into equivalent INR, following exchange rate is used for 1 INR

Sr. No.	Currency	Balance Sheet (Closing Rate)	Statement of Profit and Loss (Average Rate)
1	USD	62.777	56.022
2	GBP	101.416	87.795
3	AED	17.112	16.054
4	CZK	3.293	2.845

** Including Share Application Money

@ Liquidation under process

Notes to Consolidated Financial Statements
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29 Contingent Liabilities in respect of:

(₹ Crores)

Sr. No.	Particulars	Current Period	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	Guarantees given by banks on behalf of the Company	**71.65**	73.71
C	Bills discounted	**365.18**	214.79
D	**Claims against company not acknowledged as debt**		
	a) Income Taxes	**0.31**	1.69
	b) Works Contract Tax	**0.59**	0.59
	c) Maharashtra Value Added Tax	**8.07**	-
	d) Central Sales Tax	**0.98**	-
	e) Others - Disputes under litigation	**19.40**	0.05
E	Contingent liability with respect to unpaid property tax on land under litigation / encroachment	**Amount Unascertained**	Amount Unascertained
F	Disputed various matters relating to NTC / ATM	**Amount Unascertained**	Amount Unascertained

30. Capital Commitment

(₹ Crores)

Particulars	Current Period	Previous Year
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances)	**91.25**	527.17

Notes to Consolidated Financial Statements
for the period from 1 April 2012 to 30 September 2013

31. Related Party Disclosure

a. Names of related parties and nature of relationship

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

I Associate companies

Alspun Infrastructure Ltd.
Next Creations Holdings LLC
Ashford Infotech Private Limited

II Entities under common control

Alok Denims (India) Limited
Alok Finance Private Limited
Alok Knit Exports Private Limited
Alok Textile Traders
Ashok Realtors Private Limited
Buds Clothing Co.
D. Surendra & Co.
Gogri Properties Private Limited
Green Park Enterprises
Jiwrajka Associates Private Limited
Jiwrajka Investment Private Limited
Niraj Realtors & Shares Private Limited
Nirvan Exports
Nirvan Holdings Private Limited
Pramatex Enterprises
Pramita Creation Private Limited
Triumphant Victory Holdings Limited.

III Joint Venture

Aurangabad Textiles & Apparel Parks Limited
New City Of Bombay Mfg. Mills Limited

IV Key Management Personnel (KMP)

Ashok B. Jiwrajka
Dilip B. Jiwrajka
Surendra B. Jiwrajka
K H Gopal (appointed as Executive Director w.e.f. November 10, 2012)
Alok A. Jiwrajka (appointed as Chief Operating Officer w.e.f. December 1, 2012)
Varun S. Jiwrajka (appointed as Joint Chief Operating Officer w.e.f. December 1, 2012)
Chandra Kumar Bubna (resigned w.e.f. September 30, 2013)
Sunil O Khandelwal (appointed as Executive Director w.e.f. November 10, 2012)
Niraj D. Jiwrajka (appointed as Joint Chief Operating Officer w.e.f. December 1, 2012)

V Relatives of Key Management Personnel

Alok A. Jiwrajka (up to November 30, 2012)
Niraj D. Jiwrajka (up to November 30, 2012)
Suryaprakash Bubna (resigned w.e.f. February 28, 2013)
Varun S. Jiwrajka (up to November 30, 2012)

VI Firms in which relatives of Key Management Personnel are interested

AVAN Packaging and Boards
Linear Design
C. J. Corporation

Notes to Consolidated Financial Statements
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b. **Transactions with related parties**

(₹ Crores)

	Transaction	Associate	Entities under common control	Joint Venture Company	KMP	Relatives of KMP	Firms in which relatives of KMP are interested	Total
(a)	**Advance Share Application Money (Received)**							
	Balance as at 1 April	- (-)	350.00 (-)	- (-)	- (-)	- (-)	- (-)	350.00 (-)
	Received During the period/year	- (-)	155.49 (350.00)	- (-)	41.38 (-)	4.51 (-)	- (-)	201.38 (350.00)
	Shares Alloted during the period/year	- (-)	155.49 (-)	- (-)	41.38 (-)	4.51 (-)	- (-)	201.38 (0.00)
	Refund during the period/year	- (-)	350.00 (-)	- (-)	- (-)	- (-)	- (-)	350.00 (0.00)
	Balance as at 30 September/31 March	- (-)	- (350.00)	- (-)	- (-)	- (-)	- (-)	- (350.00)
(b)	**Long term borrowings**							
	Balance as at 1 April	- (-)	613.88 (312.55)	- (-)	- (-)	- (-)	- (-)	613.88 (312.55)
	Received During the period/year on amalgamation	- (-)	- (223.25)	- (-)	- (-)	- (-)	- (-)	- (223.25)
	Translation difference during the period/year	- (-)	139.46 (78.08)	- (-)	- (-)	- (-)	- (-)	139.46 (78.08)
	Balance as at 30 September/31 March	- (-)	753.33 (613.88)	- (-)	- (-)	- (-)	- (-)	753.33 (613.88)
(c)	**Short term borrowings**							
	Balance as at 1 April	- (-)	196.95 (-)	5.99 (-)	- (-)	- (-)	- (-)	202.94 (-)
	Accepted During the period/year on amalgamation	- (-)	355.18 (196.95)	- (5.99)	- (-)	- (-)	- (-)	355.18 (202.94)
	Repaid during the period/year	- (-)	- (-)	5.99 (-)	- (-)	- (-)	- (-)	5.99 (0.00)
	Translation difference during the period/year	- (-)	44.74 (-)	- (-)	- (-)	- (-)	- (-)	44.74 (0.00)
	Balance as at 30 September/31 March	- (-)	596.87 (196.95)	- (5.99)	- (-)	- (-)	- (-)	596.87 (202.94)
(d)	**Short term loans and Advances**							
	Balance as at 1 April	0.63 (-)	8.59 (3.84)	- (-)	- (-)	- (-)	- (-)	9.22 (3.84)
	Granted during period/year	- (0.63)	1.85 (18.72)	- (-)	- (-)	- (-)	- (-)	1.85 (19.35)
	Converted / Repaid during the period/year	0.57 (-)	0.83 (14.26)	- (-)	- (-)	- (-)	- (-)	1.40 (14.26)
	Translation difference during the period/year	- (-)	1.96 (0.29)	- (-)	- (-)	- (-)	- (-)	1.96 (0.29)
	Balance as at 30 September/31 March	0.06 (0.63)	11.57 (8.59)	- (-)	- (-)	- (-)	- (-)	11.63 (9.22)

Notes to Consolidated Financial Statements
for the period from 1 April 2012 to 30 September 2013

(₹ Crores)

	Transaction	Associate	Entities under common control	Joint Venture Company	KMP	Relatives of KMP	Firms in which relatives of KMP are interested	Total
(e)	**Investments**							
	Balance as at 1st April	88.78 (88.80)	3.84 (-)	- (-)	- (-)	- (-)	- (-)	92.62 (88.80)
	Invested/sold during period/year	- (0.02)	- (3.60)	- (-)	- (-)	- (-)	- (-)	- (3.58)
	Translation difference during the period	- (-)	0.87 (0.24)	- (-)	- (-)	- (-)	- (-)	0.87 (0.24)
	Balance as at 30 September/31 March	88.78 (88.78)	4.71 (3.84)	- (-)	- (-)	- (-)	- (-)	93.49 (92.62)
(f)	**Trade Receivables**							
	Balance as at 30 September/31 March	29.89 (22.48)	- (0.09)	0.35 (0.03)	- (-)	- (-)	- (-)	30.24 (22.60)
(g)	**Trade Payables**							
	Balance as at 30 September/31 March	- (-)	- (14.75)	13.50 (9.56)	- (-)	- (-)	6.17 (-)	19.67 (24.31)
(h)	**Other current liabilities**							
	Balance as at 30 September/31 March	- (-)	1.57 (14.75)	- (-)	- (-)	- (-)	- (-)	1.57 (14.75)
(i)	**Turnover (Sale of products)**							
	Sales of Goods (Including jobwork charges)	97.67 (56.14)	- (-)	0.65 (0.48)	- (-)	- (-)	11.42 (-)	109.74 (56.62)
(j)	**Expenditure**							
	Purchase of goods / Job charges	0.11 (-)	66.27 (-)	43.88 (31.22)	- (-)	- (-)	77.65 (-)	187.91 (31.22)
	Commission on sales	- (-)	- (-)	- (-)	- (-)	- (-)	0.05 (-)	0.05 (-)
	Exchange Rate Difference	- (94.37)	- (-)	- (-)	- (-)	- (-)	- (-)	- (94.37)
	Rent	- (-)	- (-)	- (-)	- (-)	0.26 (0.19)	- (-)	0.26 (0.19)
	Consultancy Charges	- (-)	- (-)	- (-)	- (-)	- (-)	3.41 (-)	3.41 (-)
	Remuneration	- (-)	- (-)	- (-)	20.67 (12.20)	0.05 (0.26)	- (-)	20.72 (12.46)
	Upfront Fees	- (-)	- (26.61)	- (-)	- (-)	- (-)	- (-)	- (26.61)
	Dividend Paid	- (-)	5.76 (0.44)	- (-)	2.45 (1.54)	- (-)	- (-)	8.21 (1.98)
	Interest Paid	- (-)	65.24 (31.05)	0.57 (-)	- (-)	- (-)	- (-)	65.81 (31.05)
(k)	**Income**							
	Rent	- (-)	0.12 (0.23)	- (-)	- (-)	- (-)	0.19 (-)	0.31 (0.23)
	Interest	- (-)	- (2.65)	- (-)	- (-)	- (-)	- (-)	- (2.65)

Notes to Consolidated Financial Statements
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c. **Out of the above items, transaction in excess of 10% of the total related party transactions are as under:**

(₹ Crores)

Particulars	Current Period	Previous Year
(a) Advance Share Application Money (Received)		
Received during the period/year		
Entities under common control		
Alok Finance Pvt. Ltd.	40.26	-
Alok Knit Exports Pvt. Ltd.	-	100.00
Alok Denim (India) Limited	-	70.00
Nirvan Holdings Pvt. Ltd	-	100.00
Niraj Realtors and Shares Pvt. Ltd.	57.43	-
Jiwrajka Associate Pvt. Ltd.	24.70	-
Jiwrajka Investment Pvt. Ltd.	16.18	80.00
	138.57	350.00
Shares alloted during the perid/year		
Entities under common control		
Alok Finance Pvt. Ltd.	40.26	-
Niraj Realtors and Shares Pvt. Ltd.	57.43	-
Jiwrajka Associate Pvt. Ltd.	24.70	-
Jiwrajka Investment Pvt. Ltd.	16.18	-
	138.58	-
Repaid during the year/year		
Entities under common control		
Alok Knit Exports Pvt. Ltd.	100.00	-
Alok Denim (India) Limited	70.00	-
Nirvan Holdings Pvt. Ltd	100.00	-
Jiwrajka Investment Pvt. Ltd.	80.00	-
	350.00	-
(b) Long term borrowings		
Accepted during the period/year		
Entities under common control		
Triumphant Victory Holdings Limited (including ₹ Nil (previous year ₹ 223.25 crores) on amalgmation)	-	407.86
(c) Unsecured Short term borrowings		
Accepted during the period/year		
Entities under common control		
Triumphant Victory Holdings Limited	355.19	-
Joint Venture Company		
New City of Bombay Mfg. Mills Limited	-	5.99
Repaid during the period		
Joint Venture Company		
New City of Bombay Mfg. Mills Limited	5.99	-
(d) Short term loans and Advances		
Granted during period/year		
Associates		
Alspun Infrastructure Limited	1.84	-

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(₹ Crores)

Particulars		Current Period	Previous Year
	Entity Under Common Control		
	Triumphant Victory Holdings Limited	-	8.59
	Alok Knit Exports Pvt. Limited	-	4.70
	Nirvan Holdings Private Limited	-	3.90
		-	17.19
	Converted / Repaid during the period/year		
	Associates		
	Next Creation Holdings Limited	**0.57**	-
	Entity Under Common Control		
	Triumphant Victory Holdings Limited	**0.83**	12.68
	Alok Knit Exports Limited	-	4.70
	Nirvan Holdings Private Limited	-	3.89
		0.83	21.27
(e)	**Turnover**		
	Associates		
	Next Creations Holdings LLC	**80.66**	56.14
	Joint Venture Company		
	New City Of Bombay Mfg. Mills Ltd.	**43.88**	-
(f)	**Expenditure**		
	Purchase of goods / Job charges		
	Joint Venture Company		
	New City of Bombay Mfg. Mills Limited	**43.77**	30.93
	Entities under common control		
	Alok Denim (India) Limited	**66.27**	-
	Firms in which relatives of KMP are interested		
	C. J. Corporation	**69.37**	-
	Rent		
	Relative of Key Management Personnel		
	Varun Jiwrajka	**0.08**	0.10
	Vidhi Jiwrajka	**0.08**	0.10
		0.16	0.20
	Firms in which relatives of KMP are interested		
	Linear Design	**0.10**	-
	Consultancy Charges		
	Key management persons interested		
	Avan packaging	**3.41**	-
	Commission on sales		
	Firms in which relatives of KMP are interested		
	Linear Design	**0.05**	-
	Remuneration		
	Key Management Personnel		
	Ashok B. Jiwrajka	**4.58**	3.05
	Chandrakumar Bubna	**4.58**	3.05
	Dilip B. Jiwrajka	**4.58**	3.05
	Surendra B. Jiwrajka	**4.58**	3.05
		18.32	12.20

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(₹ Crores)

Particulars		Current Period	Previous Year
	Dividend Paid		
	Entity Under Common Control		
	Niraj Realtors & Shares Private Limited	**2.43**	-
	Jiwrajka Associates Private Limited	**1.08**	-
		3.51	-
	Key Management Personnel		
	Surendra B. Jiwrajka	**1.16**	0.53
	Interest Paid		
	Entities under common control		
	Triumphant Victory Holdings Limited	**65.24**	31.05
(g)	**Income**		
	Rent		
	Entity Under Common Control		
	Alok Denim (India) Limited	**0.09**	0.18
	Alok Knit Exports Pvt. Limited	**0.02**	0.05
		0.11	0.23
	Firms in which relatives of key management persons interested		
	Linear Design	**0.14**	-
	C. J. Corporation	**0.04**	-
		0.18	-

Note:

Previous year figures are given in brackets.

Notes to Consolidated Financial Statements
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32 Rights Issue

During the year, the Company has issued and allotted 55,08,46,238 equity shares of ₹ 10 /- at par for cash to its existing shareholders on Rights Basis aggregating to ₹ 550.85 Crores.

The proceeds of the Right Issue were utilised as follows :

Sr. No.	Particulars	₹ Crores
1	Right issue expenses	6.32
2	Incremental Working Capital requirement/ General Corporate Purpose	544.53
	Total	**550.85**

33 Employee Stock Option Scheme(ESOS)

All outstanding Options granted under Grant 1 and Grant 2 of ESOS 2010 scheme issued in the previous year were voluntarily surrendered by Employees during the current period and accordingly, the Company has reversed employee compensation expenses of ₹ 2.27 crores recognised in the previous year.

Pursuant to ESOS scheme 2010 approved by the shareholders, vide postal ballot, in 2011, Company granted 2,30,44,650 shares (Grant 3) on September 28, 2013. Such options vest over a period of 1 year from grant date. Details of options granted under Grant 3 duly approved by the Remuneration and Compensation Committee under the said scheme are as under:

Grant Date	No. of Options granted	Options surrended / lapsed	Closing Balance	Exercise Price	Vesting period
28-Sep-13	2,30,44,650	21,800	2,30,22,850	10.00	Up to 28 September 2014

The Company has followed the intrinsic value-based method of accounting for stock options granted, based on Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Charted Accountants of India and accordingly compensation cost has not been recorded during the period on such grant since the market price was less than the exercise price at the date of grant. Had the compensation cost for the Company's stock based compensation plan been determined in the manner consistent with the fair value approach as described in the Guidance noted, Company's net income would be lower by ₹ 0.03 crore without any change in the earnings per share, as reported.

The Company has adopted Black Scholes option pricing model to determine fair value of stock options. The fair value of each options granted under Grant 3 in current period is estimated on the date of grant based on the following assumptions:

Particulars	Current period
Expected life (years)	1 year from the date of vesting
Risk free interest rate (%)	8.71%
Volatility (%)	42%
Volatility Method	Based on Annualised Standard Deviation of the continuously compounded rates of return on stock over period of 12 months, between September 2012 and September 2013

Notes to Consolidated Financial Statements
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34 Earnings per share (EPS)

Sr. No.	Particulars	Current Period	Previous Year
a.	**Nominal value of equity shares per share (In Rupees)**	**10**	10
b.	**Basic & Diluted EPS**		
	Net Profit Available for Equity Shareholders (₹ Crores)	**296.71**	92.99
	Weighted average number of Equity Shares - Basic	**97,56,59,092**	81,11,87,390
	Basic Earnings per share (Rupees)	**3.04**	1.15
	Add : Effect of dilutive stock options (Nos.)	**-**	46,286
	Weighted average number of Equity Shares - Diluted (Nos.)	**97,56,59,092**	81,12,33,676
	Diluted Earnings per share (Rupees)	**3.04**	1.15

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

35. Employee benefit plans:

i. **Defined contribution plans:**

a Amounts recognised as expenses towards contributions to provident fund, superannuation and other similar funds by the Company including for it's subsidiary companies and joint venture companies in India are ₹ 9.75 crores (previous year ₹ 10.75 crores) for the period ended 30 September 2013.

b The Company contributed ₹ 17.57 crores (Previous year ₹ 8.17 crores) towards various other defined contribution plans of subsidiaries located outside India during the period ended September 30, 2013 as per laws of the respective country.

ii. **Defined benefit plans:**

In respect of holding company, subsidiary companies and joint venture companies in India :

(a) **Gratuity Plan:**

The Company makes annual contribution to the Employee's Group Gratuity Assurance Scheme, administered mainly 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.

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The following table sets out the status of the gratuity plan for the period ended 30 September 2013 as required under AS 15 (Revised)

(₹ Crores)

Particulars	Gratuity (funded) as at 30-Sep-13	Gratuity (funded) as at 31-Mar-12
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	**20.25**	15.40
Current Service Cost	**7.20**	4.34
Interest Cost	**3.17**	1.55
Actuarial loss/(gain)	**(3.20)**	(0.71)
Benefits Paid	**(2.12)**	(0.33)
Closing Defined Benefit Obligation	**25.30**	20.25
Change in Fair Value of assets		
Opening Fair value of assets	**7.40**	4.71
Expected Return on Plan Assets	**1.05**	0.36
Actuarial Gain	**(0.08)**	0.26
Contribution by Employer	**6.58**	2.40
Benefits Paid	**(2.10)**	(0.33)
Closing Fair Value of Plan Assets	**12.85**	7.40
Net Liability	**12.45**	12.85

Expense to be recognised in statement of profit and loss

(₹ Crores)

Particulars	Period ended 30-Sept-13	Year ended 31-Mar-12
Current Service Cost	**7.20**	4.34
Interest on Defined Benefit Obligation	**3.17**	1.55
Expected Return on Plan Assets	**(1.05)**	(0.36)
Net Actuarial (gain)/loss	**(3.12)**	(0.97)
Total Included in Employment Expenses	**6.20**	4.56
Actual Return on Plan Assets	**0.94**	0.60
Category of Assets as at 30 September / 31 March		
Insurer Managed Fund	**12.85**	7.40

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

Particulars	Period ended 30-Sept-13	Year ended 31-Mar-12
Discount rate	**9.10%**	8.70%
Rate of increase in compensation levels of covered employees	**9.00%**	9.00%
Expected Rate of return on plan assets *	**8.50%**	7.50%

* Expected rate of return on plan assets is based on expectation of the average long term rate of return expected to prevail over the estimated term of the obligation on the type of the investments assumed to be held mainly by LIC, since the fund is managed by Insurer. The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotions and other relevant factors.

ALOK
INDUSTRIES LIMITED
INNOVATIVE TEXTILE SOLUTIONS

Notes to Consolidated Financial Statements
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Experience Adjustments

Particulars	Period/Year ended				
	30-Sep-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
Defined benefit obligation	**25.30**	20.25	15.40	10.68	6.67
Plan Assets	**12.85**	7.40	4.71	2.86	2.24
Surplus / (Deficit)	**(12.45)**	(12.85)	(10.60)	(7.82)	(4.43)
Experience Adjustments on plan Liabilities	**(1.11)**	1.09	0.71	0.16	-
Experience Adjustments on plan Assets	**(0.06)**	0.26	0.08	0.07	-

Asset Allocations

Since the investments are held in the form of deposit with the fund manager, these are not volatile and the market value of assets is the cost value of assets and has been accordingly considered for the above disclosure.

36 Segment Reporting

a) **Primary Segment: Geographical Segment**

The company is in the business of manufacturing of Textile products. Considering its high level of international operations and present internal financial reporting based on geographical location of customer, the company has identified geographical segment as primary segment.

The geographic segment consists of:

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, assets used, except debtors, in the company's business or liabilities contracted since the resources / services / assets are used interchangeably within the segments. Accordingly, no disclosure relating to same is made.

(₹ Crores)

Particulars	Current Period	Previous Year
Segment Revenue		
Operating Revenue – Sales		
Domestic [Net of Excise duty of ₹ 456.73 crores (previous year ₹ 233.95 crores)]	**14,814.67**	5,940.26
International	**6,523.68**	3,813.27
Job Charges collected (Domestic)	**50.01**	31.19
Total segment revenue*	**21,388.36**	9,784.72

(₹ Crores)

Particulars	As at 30-Sept-13	As at 31-Mar-12
Segment Assets		
Trade Receivable*		
Domestic	**4,778.77**	1,535.47
International	**389.77**	668.53
TOTAL	**5,168.54**	2,204.00

*Exports sales includes sales made to customers located in SEZ units. Sales aggregating to ₹ 26.33 crores (previous year ₹ 13.87 crores) and trade receivable ₹ 0.36 crores (previous year ₹ 4.42 crores)

Notes to Consolidated Financial Statements
for the period from 1 April 2012 to 30 September 2013

b) **Secondary Segment: Business Segment**

The Group is operating in a single business segment i.e. Textile and as such all business activities revolve around this segment. Hence, there is no separate secondary segment to be reported considering the requirement of AS 17 on "Segment Reporting"

37. The company has taken premises for operating stores on operating lease. Lease rentals paid during the period are recognised as an expense as per Accounting Standard 19 (AS-19) "Leases".

Details of lease rentals payable in future are as follows:

(₹ Crores)

Sr. No.	Due	Current Period	Previous Year
1	With in one year	**4.58**	12.17
2	Later than one year and not later than 5 years	**45.68**	44.53
3	Later than 5 years	**83.97**	70.87
	TOTAL	**134.23**	127.57

Lease rental expense aggregating to ₹ 208.53 crores (previous year ₹ 26.57 crores) recognised in statement of profit & loss

Details of lease rentals receivable in future are as follows:

(₹ Crores)

Sr. No.	Due	Current Period	Previous Year
1	With in one year	**0.49**	-
2	Later than one year and not later than 5 years	**3.29**	-
3	Later than 5 years	**25.09**	-
	TOTAL	**28.87**	-

Lease rental income aggregating to ₹ 2.15 crores (previous year ₹ Nil) recognised in statement of profit & loss

38. Consequent to amalgamation of Grabal Alok Impex Limited with Alok Industries Ltd. during 2011-12, Grabal Alok (UK) Ltd, ("GAUK") – an erstwhile associate, became a subsidiary of the Company. and a Goodwill of ₹ 448.00 crores was recognised in the consolidated financial statements of the Group. GAUK is an independent business unit in retailing in the United Kingdom. The management's efforts in revamping the business and pruning unprofitable stores have not made much headway in the wake of the economic downturn globally and in the business situation in UK in particular. While the management believes that the current performance, impacted by the difficult economic situation is not indicative of the long term economic value of the investment, the group is considering exiting this business as a part of its strategy to focus on the core areas of the group. Considering such shift in strategy and on a prudent assessment of the recoverable value in accordance with Accounting Standard (AS) 28 "Impairment of Assets" , a provision for impairment of goodwill amounting to ₹ 316.99 crores has been recognised. Such amount has been considered as "exceptional item" and disclosed as such in the financial statements (Refer note no 43).

Notes to Consolidated Financial Statements
for the period from 1 April 2012 to 30 September 2013

39. During the previous year, Triumphant Victory Holdings limited ("TVHL") a promoter group company, obtained a loan from Axis Bank. Such loan is secured by all assets of Grabal Alok (UK) Limited, the Company's majority owned subsidiary company.

40. During earlier year, Deutsche Bank, Singapore Branch subscribed to unsecured floating rate compulsory convertible bonds ("CCB") issued by Alok Industries International Limited ("Alok BVI") and Grabal Alok (UK) Ltd ("GAUK") of USD 56.5 million each, with a green shoe option of USD 25 million. 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 GAUK of GBP 0.001 (USD 56.50 million) at the end of maturity (July 2014). Grabal Alok International Ltd ("Grabal BVI"), a subsidiary company 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 BVI in GAUK, 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. In July 2013, Deutsche bank exercised its put option regarding GAUK CCB and Alok BVI has purchased such bonds at ₹ 87.37 crores.

41. The Bombay high court approved the Scheme of Amalgamation ('Scheme') between Alok Infrastructure Limited ("transferee Company") -WOS of the Company and some other WOS/fellow Subsidiaries ("transferor Companies") - viz. Alok Relators Private Limited, Alok Land Holdings Private Limited, Alok H&A Limited, Alok Retail (India) Limited and Alok Apparels Private Limited with appointed date of 1 April 2012. The scheme became effective from 15th November 2013. With effect from 1st April 2012, the assets and liabilities of the Real estate and Retail businesses of transferor Companies stand transferred to and vested in the transferee Company on going concern basis at the respective fair values. Persuant to the Scheme:

- Immovable properties of the transferee Company are revalued up by ₹ 776.51 crores to recognise the appreciation in value in the accounts - which has been taken to Revaluation Reserve. The transferee Company recorded a provision for loss of ₹ 690.08 crores as at 1 April 2012, arising from sales commitments /term sheets entered into by one of the transferor companies - Alok Relators Pvt Ltd. up to 31 March 2013. Such provision has been adjusted against the Revaluation Reserve as aforesaid and is written back to the statement of profit and loss to offset the loss arising from recording of sale transactions/valuation of investment property at net realisable value.
- The difference (net) in the value of liabilities over the value of the assets vested in the transferee Company after adjusting the cost of investment in shares of the Transferor Companies including any further investments after the Appointed Date aggregating to ₹ 49.31 crores has been adjusted against Revaluation Reserve.

Had the Scheme not prescribed the aforesaid accounting treatment, the loss on onerous contracts of ₹ 690.08 crores would have been charged to the Statement of Profit and Loss, the balance in Revaluation reserves would have been higher by ₹ 739.39 crores and balance in statement of profit and loss would have been lower by ₹ 49.31 crores.

42. Fair values (Mark to market values) (loss) of Foreign currency options , Interest rate swaps and forward contracts (other than those considered for hedging) as at 30 September 2013 aggregating to ₹ 150.47 crores (previous year ₹ 179.57 crores) has been accounted for by the Company. Such fair values are based on the report of counter parties. MTM gain on such derivatives of ₹ 29.10 crores (previous year loss of ₹ 106.61 crores) have been recognised during the period.

Derivative contracts entered into by the company and outstanding as at 30 September 2013 for hedging currency and interest rate related risks. Nominal amounts of derivative contracts entered into by the company and outstanding as on 30 September 2013 amount to ₹ 1,202.95 crores (previous year ₹ 3,554.72 crores). Category wise break-up is given below.

Notes to Consolidated Financial Statements
for the period from 1 April 2012 to 30 September 2013

(₹ Crores)

Sr. No.	Particulars	As at 30-Sept-13	As at 31-Mar-12
1	**Interest Rate Swaps**		
	USD/INR	-	476.73
	JPY/INR	**40.00**	1,150.00
	EUR/INR	-	150.00
		40.00	1,776.73
2	**Currency Options ***	**718.80**	1,201.21
3	**Forward Contracts**		
	for receivable	**351.55**	500.05
	for payable	**92.60**	-
4	**Foreign Currency Derivative (USD/JPY)**	-	76.73
	TOTAL	**1,202.95**	3,554.72

* Represents monthly currency option for receivables, maturing over a period of 3 years

43. Exceptional items include :

i) Exchange loss/ gain arising out of a) restatement of foreign currency liabilities/ assets and b) Mark to market (MTM) losses on foreign exchange derivatives taken by the Company, considering the unusual fluctuation in the Indian Rupee (INR) against US Dollar (USD) aggregating to ₹ 317.39 crores (previous year ₹121.27 crores).

ii) Impairment loss in respect of Goodwill on consolidation aggregating to ₹ 316.99 crores (previous year ₹ Nil).

44. In line with the amended 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) Added to fixed assets/ capital work-in-progress ₹ 234.73 crores (previous year ₹ 114.47 crores) being exchange difference on long term monetary items relatable to acquisition of fixed assets.

ii) Carried forward ₹ 4.56 crores (previous year ₹ 0.99 crores) in the 'Foreign Currency Monetary Item Translation Difference Account' being the amount remaining to be amortised as at 30 September 2013.

45. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.

46. The Company has extended its accounting year end from 31 March 2013 to 30 September 2013. Accordingly, figures for the current year are for a period of 18 months from April 2012 to September 2013, whereas figures for the previous year are for a period of 12 months and hence such figures are not comparable.

Signatures to Notes 1 to 46

For and on behalf of the Board

Ashok B. Jiwrajka	Executive Chairman
Dilip B. Jiwrajka	Managing Director
Surendra B. Jiwrajka	Joint Managing Director
Sunil O. Khandelwal	Executive Director & Chief Financial Officer
K. H. Gopal	Executive Director & Secretary

Place : Mumbai
Date : November 23, 2013

PROXY FORM
ALOK INDUSTRIES LIMITED

Registered Office: 17/5/1, 521/1, Village Rakholi/ Saily, Silvassa – 396 230
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 Seventh Annual General Meeting of the Company to be held on Friday, the 27th day of December 2013 at 12.00 noon at the Registered Office of the Company at 17/5/1, 521/1, Village Rakholi/ Saily, Silvassa – 396 230, UT of Dadra and Nagar Haveli, and at any adjournment thereof.

AFFIX
15 PS.
REVENUE
STAMP

Signed on this _______________day of ____________2013

____
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, Village Rakholi/ Saily, Silvassa – 396 230
Union Territory of Dadra and Nagar Haveli

Folio No. /DP ID : ____

Client ID No. : ____

Name & Address : ____

____

____

I hereby record my presence at the **Twenty Seventh Annual General Meeting** of the Company being held on **Friday,the 27th day of December, 2013 at 12.00 noon** at the Registered Office of the Company at **17/5/1, 521/1, Village Rakholi/ Saily, Silvassa – 396 230, UT of Dadra and Nagar Haveli.**

____
Signature of Member/Joint Member
Proxy attending the meeting

Please complete this Attendance Slip and bring the slip to the meeting.

BOOK POST

ALOK
INDUSTRIES LIMITED
™ INNOVATIVE TEXTILE SOLUTIONS

REGISTERED OFFICE
17/5/1, 521/1, Village Rakholi/Saily, Silvassa, The Union Territory of Dadra and Nagar Haveli - 396 230
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