# 31ST ANNUAL REPORT

2017-18

ALOK
INDUSTRIES LIMITED
TM INNOVATIVE TEXTILE SOLUTIONS

# CONTENTS

# GENERAL INFORMATION

## Working Capital Lenders

Allahabad Bank
Andhra Bank
Axis Bank Limited
Bank of Baroda
Bank of India
Bank of Maharashtra
Canara Bank
Central Bank of India
Corporation Bank
Dena Bank
Export Import Bank of India
IDBI Bank Limited
Indian Bank
Indian Overseas Bank
The Jammu and Kashmir Bank Ltd.
Kotak Mahindra Bank Limited
Oriental Bank of Commerce
Punjab National Bank
Syndicate Bank
State Bank of India
The Karur Vysya Bank Limited
UCO Bank
Union Bank of India
United Bank of India
Vijaya Bank

## Other Lenders

AfrAsia Bank Ltd.
Asset Care & Reconstruction Enterprise Ltd.
Bank of Bahrain and Kuwait B.S.C.
Barclays Bank Plc
Bank Sinopac
Canara Bank, London
Centre for Development of Telematics Employees Provident Fund Trust
Chang Hwa Commercial Bank Ltd, Singapore
Chhattisgarh State Electricity Board Gratuity and Pension Fund Trust
Chhattisgarh State Electricity Board (CSEB) Provident Fund Trust
Dombivli Nagari Sahakari Bank Limited
E Sun Commercial Bank Ltd, Singapore
IFCI Limited
Industrial and Commercial Bank of China, Mumbai
Industrial and Commercial Bank of China Ltd, Singapore
Landesbank Baden–Wurttemberg
Life Insurance Corporation of India
Norddeutsche Landesbank Girozentrale,
Nederlandse Financierings – Maatschappij Voor Ontwikkelingslanden N.V.
Noor Bank PJSC
NPS Trust- A/c LIC Pension Fund Scheme - Central Govt
NPS Trust- A/c LIC Pension Fund Scheme - State Govt
NPS Trust A/c - LIC Pension Fund Limited - NPS Lite Scheme - Govt. Pattern
Omkara Assets Reconstruction Pvt. Ltd.
Phoenix ARC Private Limited
PT. Bank Negara Indonesia (Persero) Tbk, Singapore
Raiffeisen Bank International AG, Singapore
Saraswat Co-operative Bank Ltd.
SICOM Limited
Small Industries Development Bank of India
SBM Bank (Mauritius) Ltd.
VTB Capital Plc

## Statutory Auditors

Shah Gupta & Co.
Chartered Accountants
NBS & Co.
Chartered Accountants

## Internal Auditors

Bhandarkar & Co.
Chartered Accountants
Devdhar Joglekar & Srinivasan
Chartered Accountants
HPVS & Associates,
Chartered Accountants

## Legal Advisors & Solicitors

Oasis Counsel & Advisory

## Chief Financial Officer

Sunil O. Khandelwal

## Company Secretary

K. H. Gopal

Demat ISIN Number in NSDL & CSDL, Equity Shares - INE 270A01011

Website Address: www.alokind.com

E-mail Address: info@alokind.com

## Registered Office:

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

## Corporate Office:

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

# Marketing Offices

## DOMESTIC

**Delhi**
Unit No.225-227,2nd Flr, DLF Tower
15, Shivaji Marg, New Delhi - 110 015
Tel. 011-4184 0000

## INTERNATIONAL

**Sri Lanka**

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

**Dubai**

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

**British Virgin Islands**

Morgan & Morgan Building,
Pasea Estate, Road Town,
Tortola, British Virgin Islands

**USA**

4th and 5th Floor, 105, Madison
Avenue, Manhattan, New York, USA

**Bangladesh**

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

**Czech Republic**

Husova 734, 508 01 Horice
Czech Republic

# Works

**Spinning**

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

**Weaving**

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

**Processing**

a) 254, 261 / P1 Balitha, Taluka Vapi, Dist. Valsad, Gujarat
b) C-16/2, Village Pawane, TTC Industrial Area, MIDC, Navi Mumbai, Dist. Thane

**Knitting**

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

**Hemming**

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

**Embroidery**

a) A/317, TTC Industrial Area, MIDC, Mahape, Navi Mumbai.
b) 249/1, Vasona, Silvassa Khanvel Road, Sivassa, Union Territory of Dadra & Nagar Haveli.

**Polyester Yarn**

(Poy & Texturising Yarn)
17/5/1, 521/1, Rakholi / Saily and 409/1 Saily Silvassa, Union Territory of Dadra & Nagar Haveli

**Garments**

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

**Home Textile**

**I) Bed Linen**

a) 374/2/2, Saily, Silvassa Union Territory of Dadra & Nagar Haveli
b) 149/1 50, Morai Taluka, Pardi, Dist. Valsad, Gujarat

**II) Terry Towel**

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

# Listing & Code

BSE Limited (521070)

National Stock Exchange of India Limited (ALOKTEXT EQ)

# Registrar & Share Transfer Agent

Link Intime India Private Limited
C 101, 247 Park, LBS Marg,
Vikhroli (West) Mumbai - 400083,
India.
Tel: +91 022 49186000,
Fax: +91 022 49186060

# BOARD OF DIRECTORS OF ALOK INDUSTRIES LIMITED

**Surinder Kumar Bhoan**

**Ashok B. Jiwrajka**

**Dilip B. Jiwrajka**

**Surendra B. Jiwrajka**

**Suneet Shukla – Nominee of IFCI Limited**

**Keshav D Hodavdekar**

**Senthilkumar M. A.**

**Tulsi Tejwani**

# NOTICE

**NOTICE** is hereby given that the **31st Annual General Meeting** of the members of **ALOK INDUSTRIES LIMITED (CIN: L17110DN1986PLC000334)** will be held on **Thursday** the 27th day of December, 2018 at 12.00 noon at Alok Public School, Alok City, Silvassa-Khanvel Road, Silvassa – 396230, Union Territory of Dadra and Nagar Haveli, to transact the following business:

**BACKGROUND:**

This is to apprise the members that pursuant to an application made by State Bank of India, the Hon'ble National Company Law Tribunal, Ahmedabad bench **("Adjudicating Authority")**, vide its order dated 18 July 2017, had ordered the commencement of the corporate insolvency resolution **("CIR")** process in respect of your company under the provisions of the Insolvency and Bankruptcy Code, 2016 (the **"Code"**). Thereafter, in accordance with Section 17 of the Code, the powers of the Board stood suspended and Mr. Ajay Joshi was appointed as interim resolution professional of the Company who was later confirmed as Resolution Professional of the Company on 16 August, 2017 for the management of the affairs of the Company **("RP"/ "Resolution Professional")**.

During the CIR process, only one resolution plan dated 12 April, 2018 **("Resolution Plan")** was received from JM Financial Asset Reconstruction Company Limited, JM Finance ARC – March 18 Trust and Reliance Industries Limited jointly **("Resolution Applicants")**.

Pursuant to the order of the Adjudicating Authority dated 11 June, 2018 and in light of the Ordinance dated 6 June 2018, meetings of the committee of creditors **("CoC")** were convened by the RP on 18 June 2018 and 20 June, 2018 where, the CoC approved the Resolution Plan with the requisite assenting majority votes (72.192%).

Further, pursuant to the order of the Adjudicating Authority dated 25 June 2018, the RP has filed an Application before the Adjudicating Authority **("Application")** for approval of a Resolution Plan. The Application is currently pending adjudication by the Adjudicating Authority.

**ORDINARY BUSINESS:**

1. **To consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2018 and the report of Auditors thereon and in this regard, pass the following resolutions as Ordinary Resolutions:**

   (a) **"RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

   (b) **"RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2018 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. **To appoint Mr. Surendra B. Jiwrajka, who retires by rotation as a Director and in this regard, pass the following resolution as an Ordinary Resolution:**

   **"RESOLVED THAT** pursuant to the provisions of Sections 152, of the Companies Act, 2013, and all other applicable provisions, if any, of the Companies Act, 2013 (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. Surendra B. Jiwrajka (DIN: 00173525), who was already serving the Company as its Director with effect from 27 December 2013 and whose term of office expires at this Annual General Meeting in terms of Section 161 of the Act and in respect of whom the Company has pursuant to Section 160 of the Act received a notice in writing proposing his candidature for the office of Director, is hereby appointed as Director, liable to retire by rotation."

3. **To appoint Mr. Tulsi Tejwani, who retires by rotation as a Director and in this regard, pass the following resolution as an Ordinary Resolution:**

   **"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, and all other applicable provisions, if any, of the Companies Act, 2013 (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. Tulsi Tejwani (DIN: 07423670), who was already serving the Company as its Director with effect from 24 September 2016 and whose term of office expires at this Annual General Meeting in terms of Section 161 of the Act and in respect of whom the Company has pursuant to Section 160 of the Act received a notice in writing proposing his candidature for the office of Director, is hereby appointed as Director, liable to retire by rotation."

4. **To appoint Mr. Senthilkumar M.A., who retires by rotation as a Director and in this regard, pass the following resolution as an Ordinary Resolution:**

   **"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, and all other applicable provisions, if any, of the Companies Act, 2013 (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. Senthilkumar M.A. (DIN: 07421184), who was already serving the Company as its Director with effect from 24 September 2016 and whose term of office expires at this Annual General Meeting in terms of Section 161 of the Act and in respect of whom the Company has pursuant to Section 160 of the Act received a notice in writing proposing his candidature for the office of Director, is hereby appointed as Director, liable to retire by rotation."

**SPECIAL BUSINESS:**

5. **To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2019 and in this regard, pass the following resolution as an Ordinary Resolution:**

   **"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration, as approved by the Resolution Professional and as set out in the Statement annexed to the Notice convening this Meeting, to be paid to the Cost Auditors appointed by the Resolution Professional, to conduct the audit of cost records of the Company for the financial year ending March 31, 2019, be and is hereby ratified."

   **"RESOLVED FURTHER THAT** the Resolution Professional has all powers under the Code to take such actions, and execute all such documents, as may be necessary and applicable to give effect to the above resolution."

**K. H. Gopal**
Company Secretary

Mumbai, 28 November 2018

**Registered Office:**
17/5/1 & 521/1, Village Rakholi / Saily,
Silvassa – 396 230, Union Territory of Dadra & Nagar Haveli
CIN: L17110DN1986PLC000334
Website: www.alokind.com E-mail: info@alokind.com
Tel No.0260-6637000; Fax No.0260-2645289

# NOTES:

1. The Explanatory Statement, pursuant to Section 102(1) of the Companies Act, 2013 (the Act), relating to the Special Business to be transacted at the Annual General Meeting (Meeting) is annexed hereto and forms part of this Notice.

2. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

   Pursuant to Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder. The holder of proxy shall prove his/her identity at the time of attending the Meeting.

3. Attendance slip, proxy form and route map of the venue of the Meeting are annexed hereto.

4. Corporate Members intending to send their authorised representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant board resolution together with the specimen signatures of their representative(s) authorised under the said board resolution to attend and vote on their behalf at the meeting.

5. The Register of Members and Share Transfer Books of the Company shall remain closed from 21st December, 2018 to 27th December 2018, both days inclusive, for the purpose of Annual General Meeting.

6. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting and the business set out in the Notice will be transacted through such voting. Information and instructions including details of user Id and password relating to e-voting are sent herewith. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again. The members who have cast their vote(s) by using remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting.

7. In terms of the provisions of Section 152 of the Act, Mr. Surendra Jiwrajka, Mr. Tulsi Tejwani and Mr. Senthilkumar M.A., Directors, retire by rotation at the Meeting.

8. Mr. Surendra Jiwrajka, Mr. Tulsi Tejwani and Mr. Senthilkumar M.A. are interested in the Ordinary Resolutions set out at Item Nos. 2, 3 and 4, respectively, of the Notice with regard to their re-appointment. Mr. Ashok Jiwrajka-Director and Mr. Dilip Jiwrajka-Director and their relatives employed with the company, being related to Mr. Surendra Jiwrajka may be deemed to be interested in the resolution set out at Item No.2 of the Notice. Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company / Resolution Professional / their relatives are in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item Nos. 2 to 4 of the Notice.

9. Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meetings, particulars of the Directors seeking re-appointment at the Annual General Meeting are provided in the "Annexure" to the Notice.

10. There is no requirement to place the matter relating to appointment of Auditors for ratification by members at every annual General Meeting as per notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of Auditors, who were appointed in the Annual General Meeting, held on September 24, 2016 for a consecutive period of 5 years.

11. Members/ Proxies / Authorised Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s) duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No and copies of Annual Report. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

12. Relevant documents referred to in the Notice are open for inspection by the members at the Registered Office of the Company on all working days (i.e. except Saturdays, Sundays and Public Holidays) during business hours up to the date of the Meeting. The aforesaid documents will be also available for inspection by members at the Meeting.

13. 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 M/s. Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West) Mumbai-400083, India, Tel: +91 022 49186000, Fax: +91 022 49186060, in respect of their physical shares, if any, quoting their folio nos.

14. Shareholders who have not so far encashed their dividend warrants/ demand drafts for the financial years ended 31st March, 2012 and 30th September, 2013 may immediately approach the Company for revalidation of unclaimed dividend warrants/ demand drafts. Information in respect of the unclaimed dividend as on the date of the previous AGM of the Company held on 29th September, 2017 has been uploaded on the website of the Ministry of Corporate Affairs (www.iepf.gov.in.) and on the website of the Company (www.alokind.com). Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Act, be transferred to the Investor Education and Protection Fund (IEPF). Shares for which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 123 of the Act and the applicable law.

15. SEBI has decided that securities of listed companies can be transferred only in dematerialised form from a cut-off date, to be notified. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.

16. Due dates for transfer of unclaimed/unpaid dividends for the financial year 2011-12 and thereafter to IEPF:

| Financial year ended | Date Declaration | Last date for claiming unpaid dividend | Due date for Transfer to IEPF |
|---|---|---|---|
| 31.03.2012 | 14.08.2012 | 13.08.2019 | 12.10.2019 |
| 30.09.2013 | 27.12.2013 | 26.12.2020 | 26.01.2021 |

17. 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.

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

19. 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.

20. The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which include remote e-voting and business set out in the Notice will be transacted through such voting. Company has appointed Central Depository Services (India) Limited (CDSL) as Depository for providing remote e-voting facility to its Members.

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting and who have not cast their vote by remote e-voting can exercise their voting right at the meeting through ballot paper.

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

**The instructions for shareholders voting electronically are as under:**

(i) The voting period begins on 24th December 2018 (10.00 am) to 26th December 2018 (5.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st December 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders / Members

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

| | **For Members holding shares in Demat Form and Physical Form** |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field. |
| Dividend Bank Details **OR** Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non–Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xxi) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

(xxii) The voting rights of members shall be as per the number of equity shares held by the Member(s) as on Friday, 21st December 2018 being the cut-off date and as per the register of members of the Company. Members are eligible to cast vote electronically only if they are holding shares as on that date.

(xxiii) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 21st December 2018 may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com

(xxiv) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

(xxv) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

(xxvi) Mr. Virendra G. Bhatt, Practicing Company Secretary (Membership No. 1157) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

(xxvii) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

(xxviii) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

(xxix) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.alokind.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited & National Stock Exchange of India Limited, Mumbai.

21. 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.

# 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.

# Statement Pursuant to Section 102(1) of the Companies Act, 2013 ("the Act")

The following Statement sets out the material facts relating to the Special Business mentioned in Notice:

**Item No. 5**

The Resolution Professional has approved the appointment of M/s. B.J.D. Nanabhoy & Co, Cost Accountants, as Cost Auditors to conduct the audit of the cost accounts maintained by the Company for the financial year ending 31st March, 2019 and be paid remuneration of Rs.86,000/- p.a. as also the payment of goods and service tax as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit of the Company.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at item no. 5 of the Notice for approval of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2019.

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

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

# ANNEXURE TO THE NOTICE

Details of Directors retiring by rotation/seeking re-appointment at the Meeting.

**Mr. Surendra Jiwrajka:**

| | |
|---|---|
| Age | 60 years |
| Qualification | B.Com |
| Experience (including expertise in specific functional area)/ Brief Resumes | Experience of over three decades in textiles industry. |
| Terms and Conditions of Re-appointment | Director of the Company liable to retire by rotation. |
| Remuneration drawn (including sitting fees, if any) | Rs.1,44,75,806.00 for financial year 2017-18 (for remuneration details including perquisite value, please refer Annexures to the Board's Report). |
| Date of first appointment on the Board | March 12, 1986 |
| Shareholding in the Company as on March 31, 2018 | 35,121,035 equity shares |
| Relationship with other Directors/Key Managerial Personnel | Related to Mr. Ashok Jiwrajka and Mr. Dilip Jiwrajka, both brothers. |
| Number of meetings of the Board attended during the financial year (2017-18) | 01 |
| Directorship of other Boards as on March 31, 2018 | Alok Knit Exports Private Limited<br>Aurangabad Textiles & Apparel Parks Limited<br>Alok Infrastructure Limited<br>Kesham Developers & Infotech Private Limited (under liquidation)<br>Springdale Information and Technologies Private Limited (under liquidation) |
| Membership/ Chairmanship of Committees of other Boards as on March 31, 2018 | Nil |

**Mr. Tulsi Tejwani:**

| | |
|---|---|
| Age | 58 years |
| Qualification | B. Com |
| Experience (including expertise in specific functional area)/ Brief Resumes | Experience over three decades in Textile Marketing and Production. |
| Terms and Conditions of Re-appointment | Whole Time Director of the Company liable to retire by rotation. |
| Remuneration last drawn (including sitting fees, if any) | Rs.68,03,652.00 for financial year 2017-18 (for remuneration details including perquisite value, please refer Annexures to the Board's Report). |
| Remuneration proposed to be paid | Current salary drawn as at present and liable to be revised as per the terms and conditions of appointment. |
| Date of first appointment on the Board | September 24, 2016 |
| Shareholding in the Company as on March 31, 2018 | 4000 shares |
| Relationship with other Directors/Key Managerial Personnel | Not related to any Director/Key Managerial Personnel / Resolution Professional |
| Number of meetings of the Board attended during the financial year (2017-18) | 01 |
| Directorship of other Boards as on March 31, 2018 | Nil |
| Membership/ Chairmanship of Committees of other Boards as on March 31, 2018 | Nil |

**Mr. Senthilkumar M.A:**

| | |
|---|---|
| Age | 53 Years |
| Qualification | Graduation in Engineering and Post-Graduation in Management from premier institutes and undergone specialization in Strategic Management from The Strategy Academy, Kolkata. |
| Experience (including expertise in specific functional area)/ Brief Resumes | Over 30 years of experience in large scale manufacturing and exports serving reputed brands and retailers across the globe. |
| Terms and Conditions of Re-appointment | Whole Time Director of the Company liable to retire by rotation. |
| Remuneration last drawn (including sitting fees, if any) | Rs.77,20,092.00 for financial year 2017-18 (for remuneration details including perquisite value, please refer Annexures to the Board's Report). |
| Remuneration proposed to be paid | Current salary drawn as at present and liable to be revised as per terms and conditions of appointment. |
| Date of first appointment on the Board | September 24, 2016 |
| Shareholding in the Company as on March 31, 2018 | Nil |
| Relationship with other Directors/Key Managerial Personnel | Not related to any Director/Key Managerial Personnel / Resolution Professional. |
| Number of meetings of the Board attended during the financial year (2017-18) | 01 |
| Directorship of other Boards as on March 31, 2018 | Nil |
| Membership/ Chairmanship of Committees of other Boards as on March 31, 2018 | Nil |

This is to apprise the members that pursuant to an application made by State Bank of India, the Hon'ble National Company Law Tribunal, Ahmedabad bench **("Adjudicating Authority")**, vide its order dated 18 July 2017 had ordered the commencement of the corporate insolvency resolution **("CIR")** process in respect of your company under the provisions of the Insolvency and Bankruptcy Code, 2016 (the **"Code"**). Thereafter, in accordance with Section 17 of the Code, the powers of the Board of Directors **("Board")** stood suspended and Mr. Ajay Joshi was appointed as interim resolution professional of the Company who was later confirmed as Resolution Professional of the Company on 16 August, 2017 for the management of the affairs of the Company **("RP"/ "Resolution Professional")**.

In compliance with the provisions of Section 134(3) of the Companies Act, 2013, a report containing the details and information as required to be disclosed in the Directors' Report to the shareholders of the Company is provided hereunder.

During the CIR process, only one resolution plan dated 12 April, 2018 **("Resolution Plan")** was received from JM Financial Asset Reconstruction Company Limited, JM Finance ARC – March 18 Trust and Reliance Industries Limited jointly **("Resolution Applicants")**.

Further, pursuant to promulgation of the Insolvency and Bankruptcy (Amendment) Ordinance dated 6 June 2018 **("Ordinance")**, the voting threshold for approval of Resolution Plan was reduced from 75% to 66% of the voting share of the financial creditors. The Adjudicating Authority in an application filed by Alok Employees Benefit & Welfare Trust, vide its order dated 11 June 2018 directed the committee of creditors of Company **("COC")** for a re-look and proper consideration of the Resolution Plan **("Order")**. Accordingly, in compliance with the Order, the Resolution Plan submitted by the Resolution Applicants was again placed before the COC for consideration by the RP under Section 30 (4) of the Code (as amended by the Ordinance). The Resolution Plan was approved by the COC with 72.192% assenting voting share of the financial creditors. Subsequently, vide its order dated 25 June, 2018, the Adjudicating Authority granted liberty to the RP to file for the approval of the Resolution Plan under Section 31 of the Code. The application filed by the RP for approval of Resolution Plan on 11 July, 2018 is currently pending adjudication before the Adjudicating Authority.

In terms of Section 25 of the Code, the Company is continuing to operate as a going concern. Further, since the application for approval of the Resolution Plan is pending adjudication before the Adjudicating Authority, the financial statements are being presented on a going concern basis.

It is pertinent to note that certain financial creditors of the Company have filed applications before the Adjudicating Authority as well as the Hon'ble National Company Law Appellate Tribunal, New Delhi **("Appellate Tribunal")**, *inter alia,* challenging the Resolution Plan of the Company. These applications are pending adjudication by the respective tribunals. In the event, the Adjudicating Authority/Appellate Tribunal (or any subsequent appeals) result in the rejection of the Resolution Plan, the Company may be liquidated upon the order of the Adjudicating Authority/ Appellate Tribunal.

This Report was discussed in a meeting held with the Key Management persons and thereafter taken on record by the Resolution Professional. Accordingly, Report for the year ended 31st March, 2018 is as under.

## 1. FINANCIAL RESULTS:

(Rs.in crore)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | 31.03.2018 | 31.03.2017 | 31.03.2018 | 31.03.2017 |
| Revenue from operations | 5381.95 | 8326.07 | 5562.08 | 8919.42 |
| Operating Profit/ (Loss) before Interest, Depreciation and Taxes | (12993.75) | (1839.83) | (13311.20) | (1390.37) |
| Profit/ Loss Before Tax (after exceptional items) | (18204.43) | (5625.98) | (18567.15) | (5392.88) |
| Tax Expenses<br><br>(including Deferred Tax) | 11.19 | (2123.56) | 10.43 | (2320.85) |
| Minority Interest and Share in Profit of Associates | 0.00 | 0.00 | (0.48) | (11.11) |
| Profit after Tax | (18206.82) | (3502.67) | (18578.06) | (3083.14) |

**2. COMPANY'S PERFORMANCE:**

The total sales of the Company for the year under review amounted to Rs.5381.95 crores (including exports with incentives of Rs.922.82 crores).

The loss before tax was Rs.18204.43 crores mainly due to sub-optimum level of manufacturing operations, lower profitability, provision for doubtful debts and advances, higher interest burden and depreciation.

The Company was facing a financial crunch since early 2014, which led to the initiation of the corporate insolvency resolution process. The Company also took a conscious call to cease its trading business which further resulted in reduction in revenues.

A detailed analysis of financial results is given in the "Management Discussion and Analysis Report", which forms part of this Report.

**3. DIVIDEND:**

There is no recommendation of dividend.

**4. TRANSFER TO RESERVES:**

In view of the losses, for the year under review, your Company has not transferred any amount to General Reserves.

**5. SHARE CAPITAL:**

The paid up Equity Share Capital as on 31st March, 2017 was Rs.13,773,178,950 comprising of 1,377,317,895 Equity Shares of Rs.10/- each. During the year under review, the Company has not issued any further shares to the members or general public.

**6. EMPLOYEE STOCK OPTION SCHEME (ESOS):**

During the year under review, the Company has not granted any stock options and hence the details of the shares issued under Employee Stock Option Scheme (ESOS) and also the disclosures in compliance with Section 62 of the Companies Act, 2013 and Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and the Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 do not form part of this report. The earlier options granted to the employees lapsed during the financial year 2016-17 and the necessary disclosures had been provided in the Annual Report as at 31.03.2017. All the options granted to the employees of the Company in the past have been exercised or lapsed and there are no options outstanding as on date that can be exercised in the future.

**7. FINANCE AND ACCOUNTS:**

During the year under review, the Company availed an interim finance of Rs.150.00 crores, in terms of the Code, after commencement of the CIR process and a short term loan of Rs. 20.00 crores, prior to commencement of the CIR process for working capital. Out of the said loans the Company has repaid Rs.50.00 crores of interim finance, in line with the terms and conditions of the loan, as on 31.03.2018.

As mandated by the Ministry of Corporate Affairs, the Financial Statements for the year ended 31.03.2018 has been prepared in accordance with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to give a true and fair view of the state of affairs and profits and cash flows of the Company for the year ended March 31, 2018.

**8. DEPOSITS**

During the year under review, the Company has not accepted any deposit or renewed any Deposit within the meaning of Section 73 of the Companies Act, 2013 and the rules made thereunder.

**9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

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

## 10. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company are prepared in accordance with the relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and forms an integral part of this Report.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries/Associate Companies/ Joint Ventures is given in Form AOC-1 and forms an integral part of this Report.

## 11. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with the Section 135 of the Companies Act, 2013, comprising of 3 Directors including an Independent Director. Since the powers of the Board are suspended, the CSR Committee has not met during this period.

For the current financial year 2017-18, as the average profits for the last three years is negative, the Company does not have to spend any amount on CSR.

| Financial year | Net profit/loss (Rupees in crores) |
|---|---|
| 2015-2016 | (4205.95) |
| 2016-2017 | (3502.49) |
| 2017-2018 | (18206.82) |

Average profit/loss of last three financial year: (8638.42) crores

Further, due to paucity of funds, the company has also not been able to spend the amount required to be spent in FY 16-17 and FY 17-18 on CSR activities based on the results of the company for FY 2014-15.

The Company's Policy on Corporate Social Responsibility has formally been put in place in the year 2014-15 and the Policy can be reached at our website www.alokind.com

## 12. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

During the year, employee relations at all the Units remained cordial. This motivated work force has helped your Company to move along in spite of adversities. Most of the workforce at the plants and offices and senior management team, to their credit, has remained with the company in these trying times.

## 13. RISK MANAGEMENT

The Board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this report.

Pursuant to commencement of the CIR Process, the powers of the board of directors stand suspended and are exercised by the interim resolution professional or resolution professional, as the case may be, in accordance with the provisions of the Code. Accordingly, the Risk Management Committee as well as the Audit Committee has not met after 18 July 2017.

## 14. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Audit Committee. During the CIR process, the Chief Financial Officer ("CFO") has been mandated by the Resolution Professional to evaluate the Internal Audit reports and ensure corrective actions. The Internal Audit is outsourced to external firms of Chartered Accountants and they evaluate the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. The Company has in place adequate internal financial controls with reference to financial statements and other matters.

**15. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:**

The Company has a Whistle Blower Policy to report genuine concerns or grievances for redressal. The Whistle Blower Policy has been posted on the website of the Company viz, www.alokind.com. Your Company hereby affirms that no Director/ employee has been denied access to the Chairman of the Audit Committee until 18 July 2017 and to the Resolution Professional thereafter and that no complaints were received during the year.

**16. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

As on 31.03.2018, the Company had 9 subsidiaries (direct or step down), and was joint venture partner in two companies as under. Further Alok Infrastructure Limited divested its entire stake in its two joint ventures Ashford Infotech Private Limited and Alspun Infrastructure Limited during the year.

**Subsidiaries of Alok Industries Limited**

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

**Step-down subsidiaries of Alok Industries Limited**

1. Alok Industries International Limited (incorporated in the British Virgin Islands)
2. Grabal Alok International Limited (incorporated in the British Virgin Islands)
3. Grabal Alok (UK) Limited (incorporated in UK) (under liquidation w.e.f. 10th July, 2017)
4. Mileta, a.s.(incorporated in the Czech Republic)

**Joint Ventures**

1. New City of Bombay Manufacturing Mills Limited
2. Aurangabad Textiles and Apparel Parks Limited

**Associates**

Nil

During the year under review, one subsidiary company, Alok Global Trading (Middle East) FZE was voluntarily liquidated.

Alok Infrastructure Limited divested its entire stake in the equity and preference capital of two joint venture companies, namely, Ashford Infotech Private Limited and Alspun Infrastructure Limited during the financial year ending 31st March 2018.

Alok Infrastructure Limited has been admitted under the Corporate Insolvency Resolution Process in terms of the Insolvency and Bankruptcy Code 2016 on 24 October 2018.

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

The Company has framed a policy for determining material subsidiaries, which has been uploaded on company's website at www.alokind.com. In terms of the policy, none of the subsidiaries of the company was determined to be a material subsidiary by the Board of Directors in the previous years.

## 17. DIRECTORS AND KEY MANGERIAL PERSONNEL:

### I. Appointments

During the year IFCI Limited nominated Mr. Suneet Shukla as the Nominee Director on the Board of the Company effective from 15th May, 2017 in place of Mr. Sachikanta Mishra.

### II. Resignations

During the year, the Nomination of Mr. Sachikanta Mishra on the Board of the Company was withdrawn by IFCI Limited effective from 15th May, 2017. Further, IDBI Bank Limited withdrew nomination of Mr. Rajiv Kumar on the Board of the Company effective from 5th August, 2017.

Further, Mrs. Thankom Mathew, Independent Woman Director, citing other commitments, stepped down as the Director of the Company, effective from 1st December, 2017.

LIC of India has also withdrawn their nomination of Mr. Pradeep Kumar Rath on the Board of the Company effective from 9th May, 2018. Further, Mr. Atanu Sen nominated by State Bank of India on the Board of the Company has also tendered his resignation effective from 4th July, 2018.

### III. Directors Retiring by Rotation

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Surendra B. Jiwrajka, Mr. Tulsi Tejwani and Mr. Senthilkumar M.A. will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, have offered themselves for re-appointment. In accordance with the provisions of the Act, none of the Independent Directors are liable to retire by rotation.

### IV. Key Managerial Personnel

The following are the Key Managerial Personnel of the Company during the financial year under review:

(1) Mr. Ashok B Jiwrajka - Executive Director & CE (Home Textiles),

(2) Mr. Dilip B. Jiwrajka - Managing Director & CE (Apparel Fabrics),

(3) Mr. Surendra B. Jiwrajka - Joint Managing Director & CE (Polyester),

(4) Mr. Senthilkumar M. A. - Executive Director & CEO (Processing),

(5) Mr. Tulsi Tejwani - Executive Director & CEO (Weaving)

(6) Mr. Sunil O. Khandelwal - Chief Financial Officer,

(7) Mr. K.H. Gopal - Company Secretary.

There is no change in the Key Managerial Personnel of the Company during the year under review.

## 18. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

As stated above, as the powers of the Board of Directors stood suspended post 18 July 2017, the Board met only once during the year under review and the details of which are given in the Corporate Governance Report forming part of this Annual Report. During the financial year ended 31 March, 2018, one Board Meeting was held on 30 May, 2017. The attendance of each of the Director was as under:

| Sr. No | Names of the Directors who attended |
|---|---|
| 1. | Mr. Surinder Kumar Bhoan |
| 2. | Mr. Keshav D. Hodavdekar |
| 3. | Mr. Ashok B. Jiwrajka |
| 4. | Mr. Dilip B. Jiwrajka |
| 5. | Mr. Senthilkumar M. A. |

| Sr. No | Names of the Directors who attended |
|---|---|
| 6. | Mr. Tulsi Tejwani |
| 7. | Mr. Suneet Shukla |
| 8. | Mr. Atanu Sen |
| 9. | Mr. Pradeep Kumar Rath |
| 10. | Mr. Rajeev Kumar |
| | **Names of the Directors who were granted Leave of Absence** |
| 1. | Mr. Surendra B. Jiwrajka |
| 2. | Mrs. Thankom T. Mathew |

**19. COMMITTEES OF THE BOARD:**

The Board of Directors has the following Committees:

(1) Audit Committee;

(2) Remuneration and Nomination Committee;

(3) Stakeholders' Relationship Committee;

(4) Corporate Social Responsibility Committee.

The details of the Committees along with their composition, number of meetings held and attendance at the meetings are provided in the Corporate Governance Report.

**20. DIRECTORS' EVALUATION:**

In terms of SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, a company undergoing CIR process is not required to comply with the requirement of conducting evaluation of the independent directors. Therefore, subsequent to commencement of the CIR process the evaluation of the independent directors of the Company was not required to be carried out under the provisions of the Regulation 17(10) SEBI LODR Regulations. Further, in accordance with Rule 8(4) of Companies (Accounts) Rules, 2014, the board of directors of a company are required to evaluate its own performance and that of its committees and individual directors. However pursuant to commencement of the CIR process of the Company, the powers of the board of directors stand suspended and are exercised by the interim resolution professional or the resolution professional, as the case may be, in accordance with the provisions of the Code.

**21. REMUNERATION POLICY**

The Board on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The Remuneration Policy is explained in the Corporate Governance Report and is also available on the Company's website at www.alokind.com.

**22. FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTOR(S):**

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarization program for the Independent Directors to familiarize them with their role, rights and Responsibilities as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarization program are explained in the Corporate Governance Report and are also available on the Company's website at www.alokind.com.

**23. DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the provisions of Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 24. MANAGEMENT OPINION ON THE QUALIFICATIONS/EMPHASIS OF MATTERS/NOTES GIVEN BY AUDITORS:

**Auditors' Qualification:**

As per Ind AS 36 on Impairments of assets, the Holding Company is required to determine impairment in respect of fixed assets as per the methodology prescribed under the said Standard. However the Management of the Holding Company has not done impairment testing for the reasons explained in note no. 7 of the Financial Results. In the absence of any working for impairment of the fixed assets as per Ind AS 36, the impact of impairment, if any, on the Consolidated Financial Results is not ascertainable.

**Management opinion:**

The Company's current level of operations, at about 30% of the capacity, may not be an indication of the future performance of the Company. A Resolution Plan for revival of the Company is under consideration of the Adjudicating Authority. Therefore, until a resolution plan has been implemented, reliable projections of availability of future cash flows of the Company supporting the carrying value of Property, Plant and Equipment cannot be determined, hence are not available. Accordingly Impairment testing under Ind AS has not been performed while presenting these results.

**Auditors' Qualification:**

As mentioned in note no. 4 of the Financial Results, the Holding Company continued to recognize deferred tax assets upto March 31, 2017, Rs. 1423.11 crore. Considering the pending NCLT approval for resolution plan and absence of probable certainty and convincing evidence for taxable income in future, as required by the Ind AS – 12, we are unable to ascertain the extent to which these deferred tax assets can be utilized.

**Management opinion:**

The net deferred tax assets as on 31 March 2018 are Rs. 1423.11 crores (Previous Year Rs. 1423.11 crores). The Resolution Plan for the Company is under consideration of the Adjudicating Authority. Reliable projections of future taxable income, therefore, shall be available only when the Resolution Plan is implemented. Accordingly, deferred tax assets for the current period and the Financial Year are presently not recognised and the net deferred tax assets as at the end of the previous financial year have been carried forward. Since the company has continued to operate as a going concern in terms of the Code and expects that a resolution plan will be eventually admitted, based on the past normal level of operations of the company, the company expects that post implementation of the resolution plan, sufficient taxable income will be available for availing the deferred tax benefit.

**Auditors' Qualification:**

The Consolidated Financial Results include the Unaudited Financial Results of two subsidiaries whose Ind AS Financial Statements reflect total assets of Rs. 380.37 crores as at 31$^{st}$ March, 2018, total revenue of Rs. 182.10 crores, net cash outflows amounting to Rs. 0.57 crores, net loss after tax of Rs. 464.61 Crores, and total comprehensive loss amounting to Rs. 464.61 crores for the year ended on that date, as considered in the Ind AS Consolidated Financial Statements. Our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on such Unaudited Ind AS Financial Statements. We are not in a position to comment on the consequential impact, if any, arising out of subsequent audit of these entities, on the Consolidated Financial Results. Our opinion on the Consolidated Financial Results is modified in respect of our reliance on the Ind AS financial statements/ financial information certified by the Management. The audit report on the Ind AS Consolidated Financial Results for the period ended 31$^{st}$ March, 2017 was also qualified in respect of this matter.

**Management opinion:**

The two subsidiaries Alok International Inc. (parent company, Alok Industries Limited) and Mileta a.s. (parent company, Alok Infrastructure Limited) are incorporated in the United States of America (US) and the Czech Republic (Czech) respectively. The US subsidiary has not carried out any activity during the year 2017-18 under review. Since this company is effectively a defunct company, management is of the view that the audited financial statements of this step-down subsidiary will not materially differ from the unaudited versions and hence may be relied upon. The Czech step-down subsidiary, an integrated textile company, while being operational and profit making too, is not a material subsidiary. For the year under review, the Czech subsidiary had a resource crunch causing a delay beyond August 2018 for finalization of its accounts, which is permissible, being an unlisted entity. The management had to therefore consider the unaudited numbers for the purpose of consolidation. Since the Czech company is not a material subsidiary, the management is of the opinion that the unaudited financial statements of the Czech step-down subsidiary may also be relied upon.

**Material Uncertainty Related to Going Concern**

As mentioned in note no. 34 of the standalone Ind AS financial statements, the Company incurred a total comprehensive loss of Rs. 18,206.82 crores during the year ended March 31, 2018 and, as of that date, the Company's current liabilities exceeded its total assets by Rs. 15,200.53 crores. As stated in note no. 32 of the standalone Ind AS financial statements, these events or conditions, along with other matters as set forth in note no. 33 of the standalone Ind AS financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Management opinion**

Members are requested to refer to the opening paragraphs and the section on Revival Plan of the company in this regard.

**Emphasis of Matters**

**[Also refer point (x) of ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT]**

On the basis of the facts mentioned in note no. 35 of the standalone Ind AS financial statements, we are unable to comment on the possible impact on standalone Ind AS financial statements, related disclosures and our reporting thereon, if any, regarding the said transactions until the final conclusion of the matter. Our opinion is not modified in respect of this matter.

**Management opinion**

Attention of members is invited to note no. 35 of the Notes to Accounts of the standalone Ind AS financial statements where details have been provided. The decision of the Adjudicating Authority is awaited.

**Point (iv) – ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and securities except for the following non-compliances:

(a) The company has not taken prior approval from public financial institutions before giving loans to the subsidiaries during the year, as required under sub-section 5 of Section 186.

(b) The company has not charged any interest on the loan given to the subsidiaries during the year ended March 31, 2018, sub-section 7 of Section 186.

**Management opinion**

The amounts extended by the Company to Alok Infrastructure Limited, its wholly owned subsidiary, were largely to meet its critical running expenses. Further, substantial portion of the assets of Alok Infrastructure Limited have been collatarized to secure the loans availed by the Company and therefore Alok Infrastructure was not in a position to monetize some of its assets to meet its running expenses. Besides, the Company though had leased the premises of Alok Infrastructure Limited for its corporate office but due to severe cash shortage the companies agreed that Alok Infrastructure will not charge lease rent. Accordingly, in the opinion of the management, the waiver of the lease rental more than offsets the interest that the company would have received on the loans granted during the year.

**Basis of Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2018:

1. On the basis of the facts mentioned in note no. 35 of the standalone Ind AS financial statements, we are unable to comment on the possible impact on standalone Ind AS financial statements, related disclosures and our reporting thereon, if any, regarding the said transactions until the final conclusion of the matter.
2. The Company's internal financial controls over obtaining certain bank balance confirmations were not operating effectively, which could potentially result in affecting the expenses such as interest, bank charges etc. and bank balances in the books of the Company.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

**Management opinion**

1. Attention of members is invited to note no. 35 of the Notes to Accounts of the standalone Ind AS financial statements where details have been provided. The decision of the Adjudicating Authority is awaited.
2. Since the company is under CIR process, all its major accounts are under the Trust and Retention arrangements which are directly under the control of the banks. Very few bank accounts have any transactions and in some of these, there has been difficulty in obtaining bank balance confirmations for all the months during the year. Further the company is accruing interest based on the claims filed by the Banks and admitted by the Resolution Professional under the CIR process. Accordingly, in the opinion of the management, non-availability of some of the bank statements / balance confirmations from Banks has no material impact on the financial statements of the company.

**25. DIRECTORS' RESPONSIBILITY STATEMENT / Statement by the Chief Financial Officer (CFO) and taken on record by the Resolution Professional.**

To the best of knowledge and beliefs and according to the information and explanations obtained by the CFO of the Company, the CFO makes the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

(a) that in the preparation of the Annual Accounts for the year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;

(b) the CFO had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit /loss of the Company for the year ended on that date;

(c) that the CFO has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the annual accounts have been prepared on a going concern basis in terms of the code;

(e) that the CFO had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) that the CFO had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**26. RELATED PARTY TRANSACTIONS:**

All transactions, as certified by the CFO of the Company, entered with Related Parties for the year under review until 18 July 2017 were on arm's length basis and in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the SEBI LODR Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Post 18th July 2017, in terms of the provisions of the Code, the nature of the related party transactions was approved by the CoC and the CFO and the Chief Compliance Officer of the company have confirmed to the Resolution Professional that only approved transactions have been entered into post the admission under CIR Process. Accordingly, since disclosure in form AOC- 2 is required to be made only of the related party transactions or arrangements that were not at arm's length basis or the material related party transactions that were at arm's length basis in accordance with the Section 188 of the Companies Act, 2013, the disclosure in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. Further, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

All Related Party Transactions prior to the commencement of the CIR Process were authorized by the Audit Committee/ Board, as applicable for approval and thereafter by the Resolution Professional who in turn, was authorized by the CoC.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company viz. www.alokind.com. None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company except remuneration and sitting fees.

**27. SIGNIFICANT OR MATERIAL ORDERS THAT WERE PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

(a) Pursuant to an application made by State Bank of India, the Adjudicating Authority vide its order dated 18 July, 2017, initiated CIR process of the Company in accordance with the provisions of the Code. The Adjudicating Authority appointed Mr. Ajay Joshi as the Interim Resolution Professional (IRP) for the CIR process who was later confirmed as Resolution Professional by the Committee of Creditors on 16 August, 2017. In terms of Section 23 of the Code read with Section 25 of the Code, the powers of the Board of Directors stand suspended and the management of the affairs of the Company vests in the Resolution Professional (RP) of the Company i.e. Mr. Ajay Joshi. .

(b) Pursuant to the Order of the Adjudicating Authority and in light of the Ordinance dated 6 June 2018, meetings of the CoC were convened by the RP on 18 June 2018 and 20 June, 2018, the CoC approved the Resolution Plan with the requisite assenting majority votes (72.192%) and the RP filed an application with the Adjudicating Authority for approval of the Resolution Plan.

(c) The Resolution Plan is pending adjudication before the Hon'ble NCLT.

(d) Further, a financial creditor of the Company, has filed an application before the Hon'ble National Company Law Appellate Tribunal, Delhi, challenging the Order under which the Resolution Plan was re-voted by the CoC and was approved with the requisite majority of assenting votes. The aforesaid application is reserved for order by the Hon'ble National Company Law Appellate Tribunal, Delhi.

**28. AUDITORS:**

**A. STATUTORY AUDITORS**

M/s NBS & Co., Chartered Accountants, Mumbai (Firm Registration No. 110100W) and M/s Shah Gupta & Co, Chartered Accountants (Firm Registration No.109574W) were appointed as the Joint Statutory Auditors of the Company at the Annual General Meeting held on 24th September, 2016 for a term of 5 consecutive years. The Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Report given by the Auditors on the Financial Statement of the Company is part of this Annual Report.

**B. COST AUDIT / COST AUDITORS**

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Company is required to maintain Cost Records and is also required to have the Cost Records audited every year.

M/s. B.J.D. Nanabhoy & Co, Cost Accountants, Mumbai (Reg No. FRN-000011) carried out the cost audit for applicable business during the year. Section 148 of The Companies Act 2013 read with Rule 6 of the Companies (Cost Records and Audit) Rules, 2014 requires that the appointment of the Cost Auditor to be made within 180 days of the commencement of every Financial Year and accordingly, the Resolution Professional has appointed them as Cost Auditors for the financial year 2018-19.

The remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Members' ratification of the remuneration payable to M/s. B.J.D. Nanabhoy & Co, Cost Auditors is included in the Notice convening the Annual General Meeting.

**C. SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Virendra G Bhatt, a Practicing Company Secretary, to conduct the Secretarial Audit of the Company for the financial year 2017-18. The Secretarial Audit Report in MR-3 is annexed as Annexure 5 and forms an integral part of this Report. The remarks contained in the Secretarial Audit report have been discussed in the Managements Opinion on the Emphasis of matters/ notes given by auditors section which forms part of this report.

**29. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS:**

The Corporate Governance Report and Management Discussion & Analysis, which form part of this Report, are set out as separate Annexures together with the Certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**30. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134 of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed as Annexure 2 and forms an integral part of this Report.

**31. EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed as Annexure 1 and forms an integral part of this Report.

**32. PARTICULARS OF EMPLOYEES:**

Disclosures relating to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure 4.

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request.

In terms of Section 136(1) of the Companies Act, 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

Except, Mr. Ashok Jiwrajka, Mr. Dilip Jiwrajka and Mr. Surendra Jiwrajka and their sons, Mr. Alok Jiwrajka, Mr. Varun Jiwrajka and Mr. Niraj Jiwrajka respectively, who are related to each other, none of the employees listed in the said Annexure is a relative of any Director of the Company. Further, during the financial year under review, Mr. Ashok Jiwrajka, Mr. Dilip Jiwrajka and Mr. Surendra Jiwrajka each held (by himself or along with his spouse and dependent children) more than two percent of the equity shares of the Company.

**33. ENVIRONMENT:**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

**34. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

The Company has zero tolerance for sexual harassment at workplace and has formulated and implemented a policy on prevention of sexual harassment at the workplace with a mechanism of lodging complaints in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

The Company's Internal Complaints Committee (ICC) is formed and its details are declared across the organizations. All ICC members are trained by subject experts on handling the investigations and proceedings as defined in the policy. During the year under review, no complaints were reported to the ICC.

**35. GENERAL**

No disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to acceptance of deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employees' Stock Option Scheme referred to in this Report.
4. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
5. Neither the Managing Director nor the Whole-time Directors of the Company received any remuneration or commission from any of its subsidiaries.
6. No fraud has been reported by the Auditors to the Audit Committee or the Board or the Resolution Professional.

**36. CAUTIONARY STATEMENT**

Statements in this Directors' Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations.

Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

**37. ACKNOWLEDGEMENT**

The Board / Resolution Professional together with the Key Managerial Persons expresses their sincere thanks to all the employees, customers, suppliers, investors, lenders, regulatory and government authorities and stock exchanges for their cooperation and support and look forward to their continued support in future.

**Sunil O. Khandelwal**
Chief Financial Officer

**K. H. Gopal**
Company Secretary

**Taken on record**
**Ajay Joshi**
Resolution Professional

Mumbai, 28th November, 2018

# Annexure-1

## EXTRACT OF ANNUAL RETURN AS ON 31st MARCH, 2018.

## FORM MGT-9

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

In accordance with Section 134(3)(a), the web link to access the Annual Return of the Company is:

http://www.alokind.com/Downloads/Annual%20Return%202016-17.pdf

**I. REGISTRATION AND OTHER DETAILS:**

| | | |
|---|---|---|
| i. | CIN | L17100DN1986PLC000334 |
| ii. | Registration Date | 12th March, 1986 |
| iii. | Name of the Company | Alok Industries limited |
| iv. | Category/sub-category of the Company | Public Company/ Company limited by shares |
| v. | Address of the Registered office and Contact details | 17/5/1, 521/1, Village Rakholi/Saily, Silvassa, Union Territory Of Dadra & Nagar Haveli<br>Tel: 0260-6637000; Fax: 0260-2645289 |
| vi. | Whether listed company | Yes |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent, if any | Link Intime India Pvt. Ltd<br>C-101, 247 Park, L. B. S. Marg, Vikhroli (West),<br>Mumbai - 400083.<br>Tel: 022-49186000; Fax: 022-49186060 |

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

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

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

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

| Sr. No. | Name of the Company | CIN/GLN | Subsidiary/ Associate/ Joint Venture | % of shares held | Applicable section |
|---|---|---|---|---|---|
| 1 | Alok Infrastructure Limited | U45201MH2006PLC164267 | Subsidiary | 100 | 2(87) |
| 2 | Alok Singapore Pte Limited | NA | Subsidiary | 100 | 2(87) |
| 3 | Alok International Inc | NA | Subsidiary | 100 | 2(87) |
| 4 | Alok Worldwide Limited | NA | Subsidiary | 100 | 2(87) |
| 5 | Alok International (Middle East) FZE | NA | Subsidiary | 100 | 2(87) |
| 6 | New City of Bombay Manufacturing Mills Limited | U17291MH2007GOI195493 | Joint Venture | 49 | -- |
| 7 | Aurangabad Textiles and Apparel Parks Limited | U17121MH2007GOI195403 | Joint Venture | 49 | -- |

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i. Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year (As on 31.03.2017) | | | | No. of Shares held at the end of the year (as on 31.03.2018) | | | | % Change during The year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoter | | | | | | | | | |
| 1) Indian | | | | | | | | | |
| a) Individual/ HUF | 101,739,944 | - | 101,739,944 | 7.39 | 100,576,311 | - | 100,576,311 | 7.30 | (0.09) |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp | 289,459,368 | - | 289,459,368 | 21.016 | 287,638,001 | - | 287,638,001 | 20.88 | (0.14) |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any Other- Alok Benefit Trust | 8,691,000 | - | 8,691,000 | 0.63 | 8,691,000 | - | 8,691,000 | 0.63 | - |
| **Sub-total (A)(1):-** | **399,890,312** | **-** | **399,890,312** | **29.03** | **396,905,312** | **-** | **396,905,312** | **28.81** | **(0.22)** |
| 2) Foreign | | | | | | | | | |
| g) NRIs-Individuals | - | - | - | - | - | - | - | - | - |
| h) Other-Individuals | - | - | - | - | - | - | - | - | - |
| i) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| j) Banks / FI | - | - | - | - | - | - | - | - | - |
| k) Any Other…. | - | - | - | - | - | - | - | - | - |
| **Subtotal(A)(2):-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | 200 | 200 | - | - | 200 | 200 | - | - |
| b) Banks / FI | 89,799,408 | 100 | 89,799,508 | 6.51 | 84,261,860 | 100 | 84,261,960 | 6.12 | (0.39) |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |

| Category of Shareholders | No. of Shares held at the beginning of the year (As on 31.03.2017) | | | | No. of Shares held at the end of the year (as on 31.03.2018) | | | | % Change during The year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| i) Others :- | | | | | | | | | |
| Foreign Portfolio Investors | 58,404,352 | 2,000,000 | 60,404,352 | 4.38 | 10,889,536 | 2,000,000 | 12,889,536 | 0.93 | (3.45) |
| **Sub-total(B)(1)** | **148,203,760** | **2,000,300** | **150,204,060** | **10.95** | **95,151,396** | **2,000,300** | **97,151,696** | **7.05** | **(3.90)** |
| 2. Non Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| (i) Indian | 117,995,786 | 19,400 | 118,015,186 | 8.56 | 123,668,688 | 19,400 | 123,688,088 | 8.98 | 0.42 |
| (ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 299,563,249 | 468,365 | 300,031,614 | 21.78 | 274,425,918 | 452,465 | 274,878,383 | 19.95 | (1.83) |
| (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 346,855,466 | 95,000 | 346,950,466 | 25.19 | 408,577,028 | 85,500 | 408,662,528 | 29.67 | 4.48 |
| c) Others | | | | | | | | | |
| (i)Clearing Member | 11,718,000 | - | 11,718,000 | 0.85 | 16,741,240 | - | 16,741,240 | 1.21 | 0.36 |
| (ii)Market Member | 1,374,251 | - | 1,374,251 | 0.099 | 1,703,262 | - | 1,703,262 | 0.12 | 0.02 |
| (iii)Non-Resident Indian (Repat) | 16,625,858 | 8,200 | 16,634,058 | 1.20 | 15,870,077 | 8,200 | 15,878,277 | 1.15 | (0.05) |
| (iv)Non Resident Indians (Non-Repat) | 3,863,650 | - | 3,863,650 | 0.28 | 7,795,134 | - | 7,795,134 | 0.56 | 0.28 |
| (v)Foreign Companies | - | - | - | - | - | - | - | - | - |
| (vi)Overseas bodies corporate | - | - | - | - | - | - | - | - | - |
| (vii)Trusts | 10,950 | - | 10,950 | 0.00 | 60,650 | - | 60,650 | 0 | 0 |
| (viii) HUF | 28,624,748 | 600 | 28,625,348 | 2.07 | 33,852,725 | 600 | 33,853,325 | 2.45 | 0.38 |
| **Sub-total(B)(2)** | **826,631,958** | **591,565** | **827,223,523** | **60.06** | **882,694,722** | **566,165** | **883,260,887** | **64.12** | **4.06** |
| **Total Public Shareholding (B)=(B)(1)+ (B)(2)** | **974,835,718** | **2,591,865** | **977,427,583** | **71.01** | **977,846,118** | **2,566,465** | **980,412,583** | **71.18** | **0.17** |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| **Grand Total (A+B+C)** | **1,374,726,030** | **2,591,865** | **1,377,317,895** | **100.00** | **1,374,751,430** | **2,566,465** | **1,377,317,895** | **100.00** | **-** |

## ii. Shareholding of Promoters

| Sr. No | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | (As on 31-03-2017) | | | (as on 31-03-2018) | | | |
| | | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbe red to total shares | |
| 1 | Ashok B Jiwrajka | 31,316,473 | 2.274 | 100.00 | 31,316,473 | 2.274 | 100.00 | - |
| 2 | Dilip B Jiwrajka | 32,070,471 | 2.328 | 74.35 | 32,070,471 | 2.328 | 99.99 | - |
| 3 | Surendra B Jiwrajka | 35,121,035 | 2.55 | 100.00 | 35,121,035 | 2.55 | 100.00 | - |
| 4 | Chandrakala A Jiwrajka | 2,561 | 0.00 | 0.00 | 2,561 | 0.00 | 0.00 | - |
| 5 | Pramila D Jiwrajka | 2,061,605 | 0.15 | 99.90 | 2,061,605 | 0.15 | 99.90 | - |
| 6 | Vinod Jivrajka | 1,163,633 | 0.084 | 0.00 | - | - | - | (0.09) |
| 7 | Alok A Jiwrajka | 4,166 | 0.00 | 0.00 | 4,166 | 0.00 | 0.00 | - |
| 8 | Surendra B Jiwrajka, Jt. with K. H. Gopal* | 8,691,000 | 0.631 | 100.00 | 8,691,000 | 0.631 | 100.00 | - |
| 9 | Ashok Realtors Private Ltd | 639,320 | 0.046 | 100.00 | 639,320 | 0.046 | 100.00 | - |
| 10 | Alok Knit Exports Private Limited | 288,820,048 | 20.97 | 99.98 | 286,998,681 | 20.83 | 100.00 | (0.14) |
| | **Total** | **399,890,312** | **29.034** | **97.64** | **396,905,312** | **28.81** | **100.00** | **(0.22)** |

* Trustees on behalf of Alok Benefit Trust

### iii. Change in Promoters Shareholding

| Sr. no. | Shareholder's Name | Shareholding at the beginning of the year (01.04.2017) | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | **Ashok B Jiwrajka** | | | | |
| | At the beginning of the year | 31,316,473 | 2.27 | 31,316,473 | 2.27 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | - | - | - | - |
| | At the End of the year | 31,316,473 | 2.27 | 31,316,473 | 2.27 |
| 2 | **Dilip B Jiwrajka** | | | | |
| | At the beginning of the year | 32,070,471 | 2.33 | 32,070,471 | 2.33 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | - | - | - | - |
| | At the End of the year | 32,070,471 | 2.33 | 32,070,471 | 2.33 |
| 3 | **Surendra B Jiwrajka** | | | | |
| | At the beginning of the year | 35,121,035 | 2.55 | 35,121,035 | 2.55 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | - | - | - | - |
| | At the End of the year | 35,121,035 | 2.55 | 35,121,035 | 2.55 |
| 4 | **Chandrakala A Jiwrajka** | | | | |
| | At the beginning of the year | 2,561 | 0.00 | 2,561 | 0.00 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | - | - | - | - |
| | At the End of the year | 2,561 | 0.00 | 2,561 | 0.00 |
| 5 | **Pramila D Jiwrajka** | | | | |
| | At the beginning of the year | 2,061,605 | 0.15 | 2,061,605 | 0.15 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | - | - | - | - |
| | At the End of the year | 2,061,605 | 0.15 | 2,061,605 | 0.15 |
| 6 | **Vinod Jivrajka** | | | | |
| | At the beginning of the year | 1,163,633 | 0.08 | 1,163,633 | 0.08 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | - | - | *1,163,633 | - |
| | At the End of the year | - | - | - | - |

* Shares were sold to Alok Knit Exports Private Limited on 16.01.2018

| Sr. no. | Shareholder's Name | Shareholding at the beginning of the year (01.04.2017) | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 7 | **Alok A Jiwrajka** | | | | |
| | At the beginning of the year | 4,166 | 0.00 | 4,166 | 0.00 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | - | - | - | - |
| | At the End of the year | 4,166 | 0.00 | 4,166 | 0.00 |
| 8 | **Surendra B Jiwrajka, Jt. with K. H. Gopal*** | | | | |
| | At the beginning of the year | 8,691,000 | 0.63 | 8,691,000 | 0.63 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | - | - | - | - |
| | At the End of the year | 8,691,000 | 0.63 | 8,691,000 | 0.63 |
| 9 | **Ashok Realtors Private Limited** | | | | |
| | At the beginning of the year | 639,320 | 0.04 | 639,320 | 0.04 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | - | - | - | - |
| | At the End of the year | 639,320 | 0.04 | 6,39,230 | 0.04 |
| 10 | **Alok Knit Exports Private Limited** | | | | |
| | At the beginning of the year | 288,820,048 | 20.97 | 288,820,048 | 20.97 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | | | @30,00,000<br>#1,163,633<br>$15,000 | |
| | At the End of the year | 286,998,681 | 20.83 | 286,998,681 | 20.83 |

@ Shares invoked by Sunidhi Capital Private Ltd on 19.06.2017

# Shares were bought from Mr. Vinod Jivrajka on 16.01.2018

$ Shares were bought from Mr. Santosh B. Jiwrajka on 20.02.2018

* Trustees on behalf of Alok Benefit Trust

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

| Sr. No. | Name of the top 10 shareholders | Shareholding at the beginning of the year (01.04.2017) | | Cumulative shareholding during the year (31.03.2018) | |
|---|---|---|---|---|---|
| | | No of shares | % of total shares of the Company | No of shares | % of total shares of the Company |
| 1 | Life Insurance Corporation of India | 3,51,64,136 | 2.55 | 3,51,64,136 | 2.55 |
| 2 | IFCI Limited | 1,87,60,723 | 1.36 | 1,87,60,723 | 1.36 |
| 3 | IDBI Bank Limited | 1,68,88,161 | 1.23 | 1,64,88,161 | 1.19 |
| 4 | Manjeet Cotton Private Limited | 1,00,00,000 | 0.72 | 1,07,11,700 | 0.77 |
| 5 | Jaideep Narendra Sampat | 81,00,000 | 0.59 | 81,00,000 | 0.59 |
| 6 | United India Insurance Company Limited | 76,10,690 | 0.55 | 76,10,690 | 0.55 |
| 7 | R K R Investments Services Private Limited | 55,50,000 | 0.40 | 61,50,000 | 0.44 |
| 8 | Harjindersingh Jaswantsingh Sarna | 19,00,000 | 0.13 | 60,00,000 | 0.43 |
| 9 | Dhwaja Commodity Services Private Limited | 0 | 0.00 | 57,00,000 | 0.41 |
| 10 | General Insurance Corporation of India | 53,00,000 | 0.38 | 53,00,000 | 0.38 |

## v. Shareholding of Directors and Key Managerial Personnel

| Sr. No. | Name | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|---|---|---|---|---|---|
| | For each of the directors and KMP | No of shares | % of total shares of the Company | No of shares | % of total shares of the Company |
| 1. | Ashok B Jiwrajka | 31,316,473 | 2.27 | 31,316,473 | 2.27 |
| 2. | Dilip B Jiwrajka | 32,070,471 | 2.33 | 32,070,471 | 2.33 |
| 3. | Surendra B Jiwrajka | 35,121,035 | 2.55 | 35,121,035 | 2.55 |
| 4. | Sunil O Khandelwal | 2000 | 0.00 | 2000 | 0.00 |
| 5. | K. H. Gopal | 0 | 0 | 0 | 0 |
| 6. | Tulsi Tejwani | 4000 | 0 | 4000 | 0.00 |
| 7. | Senthilkumar M A | 0 | 0 | 0 | 0 |

## V. INDEBTEDNESS

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

(Rs. in Crore)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Total Indebtedness |
|---|---|---|---|
| **Indebtedness at the beginning of the financial year (01.04.2017)** | | | |
| i) Principal Amount | 23648.88 | 491.39 | 24140.27 |
| ii) Interest due but not paid | 3521.41 | 36.60 | 3558.01 |
| iii) Interest accrued but not due | 4.04 | 0.01 | 4.05 |
| **Total (i+ii+iii)** | **27174.33** | **528.00** | **27702.33** |
| **Change in Indebtedness during the financial year (2017-18)** | | | |
| Net Change | **4587.60** | **165.61** | **4753.21** |
| **Indebtedness at the end of the Financial year (31.03.2018)** | | | |
| i) Principal Amount | 25574.08 | 646.57 | 26220.65 |
| ii) Interest due but not paid | 6177.78 | 47.04 | 6224.82 |
| iii) Interest accrued but not due | 10.07 | 0.00 | 10.07 |
| **Total (i+ii+iii)** | **31761.93** | **693.61** | **32455.54** |

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

| Sr. No. | Particulars of Remuneration | Name | | | | | Total Amount |
|---|---|---|---|---|---|---|---|
| | | Executive Director | Managing Director | Joint Managing Director | Executive Director* | Executive Director* | |
| | | Ashok B Jiwrajka | Dilip B Jiwrajka | Surendra B Jiwrajka | Senthil Kumar M A | Tulsi Tejwani | |
| 1. | Gross salary | | | | | | |
| | (a) Salary as per provisions contained in section17(1) of the Income-tax Act,1961 | 14475806 | 14475806 | 14475806 | 7720092 | 6803652 | 57951162 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act,1961 | - | - | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act,1961 | - | - | - | - | - | - |
| 2. | Stock Option | - | - | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - | - | - |
| 4. | Commission<br>- as % of profit<br>- others, specify… | - | - | - | - | - | - |
| 5. | Others, please specify | - | - | - | - | - | - |
| **6.** | **Total (A)** | **14475806** | **14475806** | **14475806** | **7720092** | **6803652** | **57951162** |
| | Ceiling as per the Act | | | | | | |

**B. Remuneration to other directors:**

**i. Independent Director**

| **Particulars of Remuneration** | **Name of Directors** | | **Total Amount** |
|---|---|---|---|
| | **Surinder Kumar Bhoan** | **Keshav D. Hodavdekar** | |
| Fees for attending Board/ committee meetings | 20000 | 20000 | 40000 |
| Commission | - | - | - |
| Others | - | - | - |
| **Total** | **20000** | **20000** | **40000** |

ii. Other Non-executive directors:

| **Particulars of Remuneration** | **Name of Nominee Directors** | | | | **Total Amount** |
|---|---|---|---|---|---|
| | **Atanu Sen (State Bank of India)** | **Pradeep Kumar Rath (LIC Of India)** | **Rajeev Kumar (IDBI Bank Limited)** | **Suneet Shukla (IFCI Limited)** | |
| Fees for attending Board/ committee meetings | 20000 | 20000 | 20000 | 20000 | 80000 |
| Commission | - | - | - | - | - |
| Others | - | - | - | - | - |
| **Total** | **20000** | **20000** | **20000** | **20000** | **80000** |

**C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD as on 31.03.2018**

| **Sr. No.** | **Particulars of Remuneration** | **Key Managerial Personnel** | | |
|---|---|---|---|---|
| | | **Company Secretary ( K H Gopal)** | **Chief Financial Officer (Sunil O Khandelwal)** | **Total** |
| 1. | Gross salary | | | |
| | (a) Salary as per provisions contained in section17(1) of the Income-tax Act,1961 | 12395119.92 | 12822246.26 | **25217366.18** |
| | (b) Value of perquisites u/s 17 (2) Income-tax Act, 1961 | - | - | **-** |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | **-** |
| 2. | Stock Option | - | - | **-** |
| 3. | Sweat Equity | - | - | **-** |
| 4. | Commission<br>- as % of profit<br>- others, specify… | - | - | **-** |
| 5. | Others, please specify | - | - | **-** |
| **6.** | **Total** | 12395119.92 | 12822246.26 | **25217366.18** |

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no instances of non-compliances nor have any penalties, strictures been imposed by Stock Exchanges or SEBI or any other statutory authority during the last three years on any matter related to the capital markets, except imposition of fines by the National Stock Exchange of India Limited vide email dated December 27, 2016 and letters dated March 26, 2018 and July 15, 2018 in relation to delay in submission of quarterly financial results for the period ending September, 2017 and March, 2018 respectively and by BSE Limited vide letter dated September 19 , 2018 in relation to delay in submission of quarterly financial results for the period ending March, 2018 and June, 2018, required to be submitted with the Stock Exchanges under Clause 41 of the Listing Agreement / Regulation 33 of the SEBI LODR Regulations.

The Company has also complied with and adopted the mandatory requirements of SEBI LODR Regulations except (i) non-compliance with respect to submission of financial results mentioned in paragraph (9)(b) above, and (ii) non-compliance with respect to the disclosures and filings required to be submitted by the Company, with respect to non-convertible debentures issued by the Company, with the Stock Exchanges under the SEBI LODR Regulations. The Company has *vide* e-mail dated 16 November 2018 to SEBI confirmed the compliance of the relevant provisions under the SEBI LODR Regulations dealing with disclosures and submissions required to be made with respect to non-convertible debentures for the period ending September 30, 2018. Further, the Company has sought for relief from the non-compliance of the certain provisions of the SEBI LODR Regulations for the period prior to commencement of the CIR Process of the Company.

# Annexure-3

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013, READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014.**

## A. CONSERVATION OF ENERGY

### a) The steps taken or impact on conservation of energy

1. Annual saving in coal boiler due to increase in feed water temperature with secondary heat recovery from boiler blow down;
2. Annual saving in VAM cooling tower after VFD installation.
3. Stopping Overhead Travelling Cleaners (OHTC) on Ring Frame, Speed Frame, Link Coners;
4. Power savings by installing 125 KVA stabilizer in MLDB lighting;
5. Power savings by installing LED tube fixtures in place of conventional fixtures;
6. Power saving due to stoppage of impure nitrogen booster;
7. Energy savings by stopping unused pack pre-heaters

### b) The steps taken by the Company for utilizing alternate source of energy

Due to paucity of funds, the company has not been able to spend any amount on steps needed to utilize alternate sources of energy.

## B. TECHNOLOGY ABSORPTION

No new technology has been absorbed during the year under review.

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earned: Rs. 843.22 crores

Foreign Exchange outflow: Rs. 90.14 crores

# ANNEXURE –3

## POWER & FUEL CONSUMPTION FOR THE YEAR ENDED 31.03.2018

| | Particulars | 2016-17 | 2017-18 |
|---|---|---|---|
| A) | **POWER & FUEL CONSUMPTION** | | |
| 1) | **Electricity Purchased** | | |
| | Units: | 703,925,686 | 662,739,875 |
| | Total amount (Rs. In crores ) | 299.23 | 279.89 |
| | Average Rate/Unit (Rs.) | 4.25 | 4.20 |
| | | | |
| 2) | **Own Generation through Diesel Generator Set** | | |
| | Units: | 212,390 | 304,550 |
| | Total amount (Rs. in crores) | 0.40 | 0.52 |
| | Average Rate/Unit (Rs.) | 19.06 | 17.23 |
| | | | |
| 3) | a) Furnace Oil consumed | | |
| | Total amount (Rs. in crores) | 55.98 | 57.17 |
| | b) Natural Gas consumed | | |
| | Total amount (Rs. in crores) | 0.19 | 0.32 |
| | c) Coal consumed | | |
| | Total amount (Rs. in crores) | 46.13 | 51.44 |
| | d) Diesel Consumed | | |
| | Total amount (Rs. in crores) | 0.54 | 0.34 |
| | e) Electricity Duty Paid | - | - |
| | **(Rs. in Crores)** | **402. 47** | **389.68** |
| | | | |
| B) | **Consumption per unit of production** | | |
| | a) Yarn (Kgs) | 136,836,087.49 | 123,731,426.01 |
| | Units consumed (per kgs) | 1.08 | 1.10 |
| | b) Fabric Knits (Kgs) | 5,167,862.67 | 5,180,297.55 |
| | Units consumed (per kgs) | 0.61 | 0.56 |
| | c) Fabric Woven (Mtrs) | 744,855,151.19 | 550,675,157.40 |
| | Units consumed (per mtrs) | 0.13 | 0.19 |
| | d) Processing Woven (Mtrs) | 51,112,289.20 | 46,947,892.15 |
| | Units consumed (per mtrs) | 0.44 | 0.29 |
| | e) Processing Knits (kgs) | 5,352,881.11 | 5,451,943.00 |
| | Units consumed (per kgs) | 1.44 | 1.37 |
| | f) Garments (Pcs) | 914,049.00 | 1,123,834.00 |
| | Units consumed (per pcs) | 1.41 | 0.97 |
| | g) Made-ups (Sets/pcs) | 5,022,092.00 | 7,428,583.00 |
| | Units consumed (per sets/pcs) | 0.35 | 0.29 |

| | Particulars | 2016-17 | 2017-18 |
|---|---|---|---|
| | h) POY (Kgs) | 148,515,520.60 | 127,761,332.85 |
| | Units consumed (per kgs) | 0.42 | 0.43 |
| | i) Spinning (Kgs) | 39,290,074.69 | 38,734,871.54 |
| | Units consumed (per kgs) | 6.01 | 5.63 |
| | j) Handkerchief (Pcs) | 6,516,883.00 | 3,240,724.00 |
| | Units consumed (per pcs) | 0.06 | 0.11 |
| | k) Chips (kgs) | 223,250,376.99 | 197,531,284.02 |
| | Units consumed (per kgs) | 0.16 | 0.18 |
| | l) FDY (Kgs) | 46,692,543.41 | 45,129,445.02 |
| | Units consumed (per kgs) | 1.07 | 1.06 |
| | m) Packing Material (pcs) | 17,146,709.00 | 10,990,417.00 |
| | Units consumed (per pcs) | 0.06 | 0.08 |
| | n) Embroidery Fabric (Mtrs) | 9,566,504.33 | 10,885,172.06 |
| | Units consumed (per mtrs) | 0.82 | 0.71 |
| | o) Polyester Staple Fiber (Kgs) | 28,313,600.67 | 25,326,061.87 |
| | Units consumed (per kgs) | 0.38 | 0.39 |
| | p) Yarn Dyed (Kgs) | 1,549,901.23 | 2,583,645.00 |
| | Units consumed (per kgs) | 2.21 | 1.81 |
| | q) Terry Towel (kgs) | 2,450,018.96 | 3,195,726.00 |
| | Units consumed (per kgs) | 5.97 | 5.04 |
| | | | |
| **C)** | **Foreign Exchange Earnings & Outgo** | **(Rs. in Crores)** | **(Rs. in Crores)** |
| **1)** | Total Earnings of Foreign Exchange | | |
| | FOB Value of Export | 1002.85 | 843.22 |
| | **Total** | **1002.85** | **843.22** |
| **2)** | **Total Outgo in Foreign Exchange*** | **(Rs. in Crores)** | **(Rs. in Crores)** |
| | Commission on sales | 6.24 | 21.71 |
| | Interest on term loan | 143.75 | 63.45 |
| | Legal and professional fees | 0.74 | 0.39 |
| | Sales promotion expenses | 0.15 | 0.14 |
| | Bank charges | 3.34 | 2.30 |
| | Miscellaneous expenses | 2.52 | 2.15 |
| | **Total** | **156.75** | **90.14** |

* The expenses shown include amounts that have been accrued but not paid out.

# Annexure- 4

**Information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Personnel) Rules, 2014**

**A. The Ratio of Remuneration of each Director to the median remuneration of all the employees of the Company for FY 2017-18 is as given below:**

| Name of Director | Total Remuneration (Rs) in lakhs | Ratio of Remuneration of Director to the Median Remuneration |
|---|---|---|
| Mr. Ashok B. Jiwrajka | 144.76 | 95.24 |
| Mr. Dilip B. Jiwrajka | 144.76 | 95.24 |
| Mr. Surendra B. Jiwrajka | 144.76 | 95.24 |
| Mr. Surinder Kumar Bhoan | 0.20 | 0.13 |
| Mr. Atanu Sen | 0.20 | 0.13 |
| Mr. Rajeev Kumar | 0.20 | 0.13 |
| Mr. Tulsi Tejwani | 68.03 | 44.76 |
| Mr. Senthilkumar M A | 77.20 | 50.79 |
| Mr. Keshav D. Hodavdekar | 0.20 | 0.13 |
| Mr. Suneet Shukla | 0.20 | 0.13 |
| Mr. Pradeep Kumar Rath | 0.20 | 0.13 |

**Note:** Median Remuneration of the Company for all employees who were there in employment throughout the year (7927 employees) is Rs. 1.52 lakhs for the financial year 2017-18.

**B. Details of percentage increase in the remuneration of each Director, CFO and Company Secretary in the financial year 2017-18 are as follows:**

| Name and Designation of Director | | Remuneration (Rs.in lakh) | | % increase |
|---|---|---|---|---|
| | | 2016-17 | 2017-18 | |
| Mr. Ashok B. Jiwrajka | Executive Director | 150.00 | 144.76 | (0.03) |
| Mr. Dilip B. Jiwrajka | Managing Director | 150.00 | 144.76 | (0.03) |
| Mr. Surendra B. Jiwrajka | Joint Managing Director | 150.00 | 144.76 | (0.03) |
| Mr. Surinder Kumar Bhoan | Independent Director/ Chairman | 1.00 | 0.20 | (0.80) |
| Mr. Atanu Sen | Nominee Director | 0.60 | 0.20 | (0.67) |
| Mr. Rajeev Kumar | Nominee Director | 0.60 | 0.20 | (0.67) |
| Mr. Tulsi Tejwani | Executive Director | 71.46 | 68.03 | (0.52) |
| Mr. Senthilkumar M A | Executive Director | 81.02 | 77.20 | (0.05) |
| Mr. Keshav D. Hodavdekar | Independent Director | 0.20 | 0.20 | - |
| Mr. Suneet Shukla | Nominee Director | -- | 0.20 | - |
| Ms. Thankom T. Mathew | Independent Director | -- | - | - |
| Mr. Pradeep Kumar Rath | Nominee Director | 0.40 | 0.20 | (0.50) |
| Mr. Sunil O Khandelwal | Chief Financial Officer | 123.00 | 128.22 | 4.24 |
| Mr. K. H. Gopal | Company Secretary | 146.19 | 123.95 | (15.21) |

**C. Percentage increase in the median remuneration of all employees in the financial year 2017-18:**

| Particulars | 2016-17 (Rs. In lakh) | 2017-18 (Rs.in lakh) | % increase |
|---|---|---|---|
| Median remuneration of all employees per annum | 1.45 | 1.52 | - |

The median remuneration for each year has been arrived at, on the basis of remuneration of employees in employment throughout the relevant financial year.

**D. Number of permanent employees on the rolls of the Company as on 31st March, 2018:**

As on 31st March 2018, a total of 10879 employees were on the rolls of the Company.

**E. Explanation on the relationship between average increase in remuneration and company performance:**

In view of the continued losses, there has been no increase in the salary of personnel except for statutory increase due to increase in Minimum Wages and the consequent impact on retiral and other benefits that are linked to the increase in the minimum wages.

**F. Details of Share price and market capitalization:**

a. The details of variation in the market capitalization and price earnings ratio at the closing date of the current and previous financial years are as follows:

| Particulars | As on 31st March, 2017 | As on 31st March, 2018 | % increase/ decrease |
|---|---|---|---|
| Price Earning Ratio | Rs.(8.74) | Rs.(0.02) | (99.77%) |
| Market Capitalisation (Rs. in million) | Rs.406.30 crore | Rs.406.30 crore | No change |

b. Percentage increase over / decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year:

The market capitalization as on 31st March, 2018 was Rs.406.30 crore and the closing price of the share at NSE was Rs.2.95 per equity share of the face value of Rs.10/- each. The Company's shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

**G. Comparison of average percentage increase in salary of all employees and the percentage increase in salary of Key Managerial Personnel:**

Not applicable, as there was no increase in salary of all employees and key managerial personnel during the year under review. However, average percentage increase in salary may very due to attrition/ increase in employees of the company.

**H. Key parameters for any variable component of remuneration availed by the Directors:**

The key parameters for variable component of the remuneration to the Directors are recommended by the Nomination and Remuneration Committee in accordance with the laid down Remuneration Policy. The Board approves the compensation of Executive Directors. The remuneration to Directors is within the overall limits approved by the shareholders vide their resolution passed at the Annual General Meeting dated 29.09.2017 as per the provisions of the Companies Act 2013 in view of losses incurred by the company.

**I. There are no employees of the Company who receive remuneration in excess of the highest paid Director of the Company.**

**J. Affirmation:**

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Remuneration Policy of the Company.

# Annexure- 5

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

## FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To,

The Members,

**ALOK INDUSTRIES LIMITED**

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

Based on my verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 has prima facie complied with the statutory provisions listed hereunder and also that the Company has prima facie proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minutes’ books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - Not Applicable during the audit period;

(v) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 (SEBI Act):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company for the financial year ended 31st March, 2018:-

   (a) The Securities And Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009;

   (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   (c) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations,2008;

   (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

   (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations,1998;

(vi) The following laws are applicable to the Company :-

(a) The Payment of Wages Act, 1936

(b) The Minimum Wages Act, 1948

(c) The Employees State Insurance Act, 1948

(d) The Employees Provident Fund and Miscellaneous Provisions Act, 1952

(e) The Payment Of Bonus Act, 1965

(f) The Payment of Gratuity Act, 1972

(g) The Maternity Benefit Act, 1961

(h) The Maharashtra Shop and Establishments Act, 1948

(i) The Industrial Employment (Standing Orders) Act, 1946

(j) The Apprentices Act, 1961

(k) The Employees' Compensation Act, 1923

(l) The Maharashtra Industrial Relations Act, 1946

(m) The Factories Act, 1948

(n) The Contract Labour (Regulation and Abolition) Act, 1970

(o) The Maharashtra Mathadi, Hamal and Other Manual Workers (Regulation of Employment and Welfare) Act, 1969

(p) The Child Labour (Prohibition and Regulation) Act, 1986

(q) The Industrial Disputes Act, 1947

(r) The Maharashtra Workmen's Minimum House-Rent Allowance Act, 1983

(s) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

(vii) I have also examined compliance with the applicable clauses of the following:

(a) The Listing agreements entered into by the Company with Stock Exchanges read with Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulation)

(b) Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India.

During the period under review the Company has prima facie complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. except (i) non-compliance with respect to submission of quarterly financial results to the stock exchanges under Clause 41 of the Listing Agreement / Regulation 33 of the SEBI LODR Regulations and (ii) non-compliance with respect to the disclosures and filings required to be submitted by the Company, with respect to non-convertible debentures issued by the Company, with the Stock Exchanges under the SEBI LODR Regulations.

**I further report that:**

***(a) Pursuant to an application made by State Bank of India, the Hon'ble National Company Law Tribunal, Ahmedabad bench, vide its order dated 18 July 2017 had ordered the commencement of the corporate insolvency resolution process in respect of the company under the provisions of the Insolvency and Bankruptcy Code, 2016 (the "Code"). Thereafter, in accordance with Section 17 of the Code, the powers of the Board of Directors stood suspended and Mr. Ajay Joshi was appointed as interim resolution professional of the Company who was later confirmed as Resolution Professional of the Company on 16 August, 2017 for the management of the affairs of the Company.***

***(b)*** ***the Company was required to amend the Authorized Share Capital of the Company to Rs. 4,000 crore from Rs. 1,500 crore through an Extra Ordinary General Meeting (EOGM) in order to accommodate the conversion of debt into equity under the SDR provisions. A Singapore based bank led consortium through their security trustee, Hong Kong and Shanghai Banking Corporation (HSBC) filed a petition in the Bombay High Court for winding up the Company and further prayed for stalling the EOGM to protect their interest. The Court, however, allowed the EOGM to be conducted on submission of an affidavit by the Company that the resolutions passed at the EOGM for change in capital structure will not be implemented without obtaining prior written approval from HSBC. The Company filed a letter with the Registrar of Companies, Ahmedabad citing the circumstances due to which the change in capital structure could not be implemented. The petition filed by HSBC has since been withdrawn by the Bombay High Court. Accordingly, the company has given effect to the enhanced Authorized Share Capital in FY 2017-18.***

***(c)*** ***During the period under review only one Board meeting was conducted on 30th May, 2017 as The Hon'ble National Company Law Tribunal, Ahmedabad Bench (NCLT) has admitted the application filed by the Lenders and commenced Corporate Insolvency Resolution Process against the Company under the Insolvency and Bankruptcy Code, 2016 on 18th July 2017 and, therefore, the powers of Board of Directors of the Company stand suspended and the said powers are being exercised by the RP. As a result thereof, Committee of creditors was formed and 11 meetings were held during the period under review***

***(d)*** ***During the period under review, there have been late filings to the stock exchanges in certain instances - Regulation 30(6) LODR, 2015, Regulation 44(3) LODR, 2015 ,***

As per the Statutory Auditors' Report and information provided by the Company, the Company has granted unsecured loans to its wholly owned subsidiaries without any interest.

Annual Listing Fees to National Stock Exchange of India Limited have been paid up to 31st March, 2017 and in respect of Bombay Stock Exchange Limited, the same has been paid up to 31st March, 2017.

For the compliance with the other applicable laws, we are relying on the certificate given by Advocate Mr. Mohit Kapoor from K.N. Kapoor & Co.

**I further Report that:**

(a) I rely on Statutory Auditors' Report in relation to the financial statements, qualifications and accuracy of financial figures for, Sales Tax, Value Added Tax, Related Party Transactions, Provident Fund, ESIC, FERA etc. as disclosed under financial statements.

(b) In terms of SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, a company undergoing the corporate insolvency resolution process is not required to comply with relevant Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dealing with the requirements of, amongst others, composition of board of directors including that of independent director, constitution, meetings and terms of reference of the audit committee, constitution, meetings and terms of reference of the nomination and remuneration committee, constitution, meetings and terms of reference of the stakeholders' relationship committee.

(c) As per the information provided, the Company has prima facie given adequate notice to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were prima facie sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(d) As per the information provided, majority decision is carried through, while the dissenting members' views are prima facie captured and recorded as part of the minutes.

(e) The management is responsible for compliances of all applicable laws including business laws. This responsibility includes maintenance of statutory registers/records/ fillings and statements required by the concerned authorities and internal control of the concerned department.

(f) I report that there are prima facie adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines **subject to observations and qualifications, if any made by Statutory Auditors in their report.**

(g) During the audit period the Company has no specific events like Public/Right/Preferential issue of shares/ debentures/sweat equity/ ESOP etc.

**I further report that:**

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.

4. I have not verified the correctness and appropriateness of the books of accounts of the Company including loans and guarantees to the domestic and overseas subsidiaries and the Compliance certificate issued by Advocate Mr. Mohit Kapoor in relation to the other applicable Laws.

5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Virendra Bhatt

Mumbai, 10th August, 2018

ACS No – 1157

COP No – 124

# MANAGEMENT DISCUSSION AND ANALYSIS

Alok Industries ('Alok' or 'the Company') is one of India's leading textiles Company with a presence across the value chain of both cotton and polyester products. The Company has been servicing a wide customer base spread across the world including major global brands and also has certain international operations.

The Company had been facing significant challenges in servicing its debt obligations over the years and debt restructuring efforts could not bear fruit.

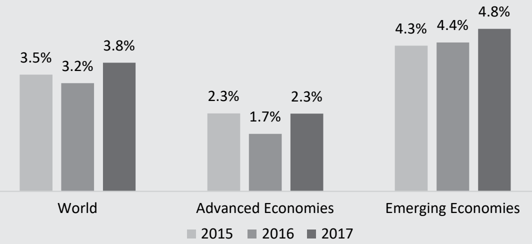
The Honorable National Company Law Tribunal, Ahmedabad bench, ("Adjudicating Authority") vide its order dated 17 July 2017, initiated corporate insolvency resolution ("CIR") process of the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code"). In terms of Section 23 of the Code read with Section 25 of the Code, the powers of the Board of Directors stand suspended and the management of the affairs of the Company vests in the resolution professional of the Company i.e. Mr. Ajay Joshi. Please refer to the discussion on revival plan of the Company for further details.

## 1 Economic Overview

### 1.2 Global Economy Overview

Global economy strengthened in 2017. Global GDP growth, which in 2016 was the weakest since the global financial crisis at 3.2%, rose to 3.8% in 2017. Major economic indicators continue to improve in a majority of the countries, and approximately 2/3rd of countries globally witnessed stronger growth in 2017 as compared to previous year. At the global level, growth is expected to remain stable at 3% in 2018 and 2019.

***Chart 1:** Real GDP Growth of World Economies for CY 2015-CY 2017*




*Source: World Economic Outlook 2017, International Monetary Fund*

Chart 1 illustrates the growth in the overall global economy along with advanced and emerging economies. Advanced economies grew by 0.6 percentage points in 2017 to reach 2.3%, while emerging markets and developing economies saw growth of 0.4 percentage points in 2017 to reach 4.8%, as compared to 2016.

Global inflation remained stable in 2017 at a rate of 3%[1], increasing by 0.2 percentage points from 2016. Despite low unemployment in many developed economies, wage pressures generally remained weak. This could be a result of rising inequality and limited bargaining power of people belonging to lower income scales.

Global productivity saw a cheerful uplift in 2017. After growing by a rate of only 1.3% in 2015 and 2016, global labour productivity increased by approximately 1.9% in 2017. Revival in global investments has played an important role in improving the global productivity levels. Growth in labour productivity was observed in countries across the globe. Among developed economies, Japan, U.S. and Western Europe have witnessed productivity growth strengthening over the past year, albeit from low levels. Average labour productivity growth in developed economies is estimated to have increased from 0.5% in 2016 to 1% in 2017[2].

The U.S. economy performed well in 2017, according to the key economic indicators. U.S.'s GDP growth rate improved from 1.5% in 2016 to 2.3% in 2017, and it is expected to remain between 2%-3% range in near future. Unemployment rate stood at 4.4% in 2017, declining marginally by 0.5 percentage points as compared to previous year. Inflation/average consumer price index stood at 245 in 2017, increasing at 2% y-o-y as compared to 2016.[1] This is a positive sign for the US economy as inflation is returning to target i.e. 2%. Labour productivity saw an average annual growth of ~0.8% during the last decade (2008-2017), however much lower than the 1997-2007 annual growth of 2%[3].

[1] *World Economic Outlook, April 2018, International Monetary Fund*

[2] *World Economic Situation and Prospects, 2018, United Nations*

[3] *Economic Survey of the United States, 2018, Organization for Economic Co-operation and Development (OECD)*

After years of crisis, European Union economy is gaining momentum. European Union's economy witnessed y-o-y growth of 0.6 percentage points in 2017 to reach at a level of 2.6% while inflation increased to 1.7% as compared to 0.2% in 2016. Rise in inflation was primarily because of increase in prices of oil and fruit & vegetables as a result of bad weather conditions. Unemployment rate in EU saw a downward trend last year, declining from 7.6% in 2016 to 7.4% in 2017.[1] As of now, UK's vote to exit the European Union, low potential growth, and an ageing population are all important challenges for EU's economy. For strengthening of economic condition, the European Union would need to focus on development of policies that support a stronger and more inclusive growth.

Japan's economy, world's third largest, grew at 1.7% in 2017. Unemployment rate has declined from 3.1% in 2016 to 2.9% in 2017. Inflation remains low, i.e. 0.5% y-o-y growth in 2017.[1] After two decades of economic stagnation, Japan's return to growth may be hampered by the twin challenges of an ageing population and the mountain of public debt built up.

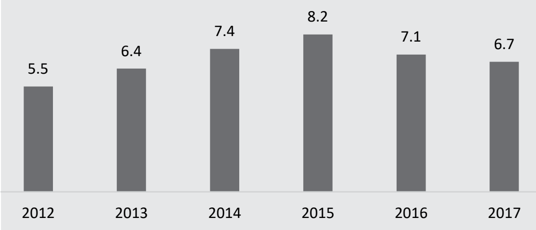
China's GDP has been declining since 2010. Its growth in 2017 remained high, pegged at 6.9% but is expected to gradually decline as the population is ageing and economy witnessing a shift from investment to consumption focused. Total investment, as percent of GDP has declined over the past 5 years (47.2% in 2012 to 44.4 in 2017) and is expected to decrease further.[1]

At an overall level, trade is anticipated to rise as a result of the stronger domestic demand in the US. In Europe too, economic activity in 2018 and 2019 is projected to remain stronger. Moreover, the advanced economies in Asia are expected to deliver stronger growth, while the emerging and developing ones are expected to grow at around 6.5% over 2018-19, broadly the same as in 2017.

## 1.2 Indian Economy Overview

Indian economy is showing signs of recovery after a continuous decline since 2015. Indian economy is gradually recovering from the impact of demonetization in late 2016 and GST rollout around second quarter of 2017. Moreover, it is anticipated that India will recover fast with time in near future, bringing the major economic reforms to action. Tax reforms can make growth more inclusive in India and boost productivity.

***Chart 2:** GDP Growth rate in India (%)*




*Source: World Bank*

Major policy changes like demonetization and GST rollout may have dampened GDP growth in the short-term, but it could also prove to have long-term benefits. It enhanced digital transactions to a large extent, which are now easier to track.

It is worth mentioning that, key financial indicators like inflation and fiscal deficit improved significantly in 2017. Inflation rate in 2017 saw the largest decline since past four years. Average inflation rate in India declined to 3.6 % in 2017 as compared to 4.5 % in 2016.[1] The decline in inflation was broad-based across major commodity groups, except housing, fuel and light. This decline in inflation rate is attributed to weaker domestic demand, combined with structural factors such as better food management by the current government. Fiscal deficit of the country has reduced from a level of 4.5% of GDP in 2013-14 to 3.24% of GDP in 2017-18[4]. Unemployment has remained stagnant from last three years (2015-17), at 3.5%.[1] Moreover, it is encouraging to note that, India got 100 rank in Ease of doing business index, as per World *Bank's 'Doing Business 2018: Reforming to Create Jobs'* report climbing 30 ranks over previous year.

During 2017, Government of India took several steps towards strengthening of its workforce. For instance, increased maternity benefits to 26 weeks paid leaves from existing 12 weeks, increased coverage for mandatory employee insurance i.e. coverage increased from Rs 15,000 per month to Rs 21,000 per month etc. Government also has plans to make major labour law reforms at the central and state levels and to introduce a National Employment policy in order to promote job creation and make growth more inclusive.

*[4] Public Information Bureau, Government of India*

## 2 Overview of Textile and Apparel Industry

### 2.1 Global Textile & Apparel Market Overview

Global apparel consumption stood at US$ 1.8 trillion in 2017, which is expected to grow at a CAGR of 4% to reach about US$ 2.6 trillion by 2025. Europe and USA continue to be the largest apparel markets with ~42% share in 2017.

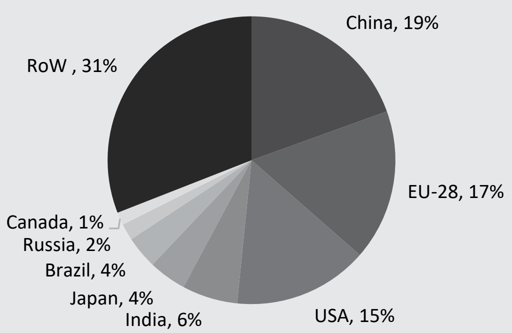
***Table 1:*** *Current and future global apparel market size (US$ bn.)*

| S.No. | Region | 2017 | 2025 (P) | CAGR |
|---|---|---|---|---|
| 1 | EU-28 | 417 | 435 | 1% |
| 2 | USA | 341 | 389 | 2% |
| 3 | China | 210 | 500 | 10% |
| 4 | Japan | 99 | 109 | 1% |
| 5 | India | 67 | 160 | 11% |
| 6 | Brazil | 61 | 94 | 5% |
| 7 | Russia | 41 | 48 | 2% |
| 8 | Canada | 32 | 37 | 5% |
| 9 | RoW | 550 | 794 | 6% |
| | Total | 1,816 | 2,557 | 4% |

*Source: Wazir Analysis*

China and India will be the fastest growing apparel market in the coming years due to their growing domestic demand. China is expected to overtake EU and USA to become the largest apparel market by 2025 with a share of 19% globally. EU and USA will still remain the key global markets, however their growth will be slow. India which currently has ~4% share of the global apparel market, is expected to grow its share to 6% by 2025.

***Chart 3:*** *Projected Apparel Market Share-2025*




*Source: Wazir Analysis*

***Global Textile & Apparel Trade Overview -***

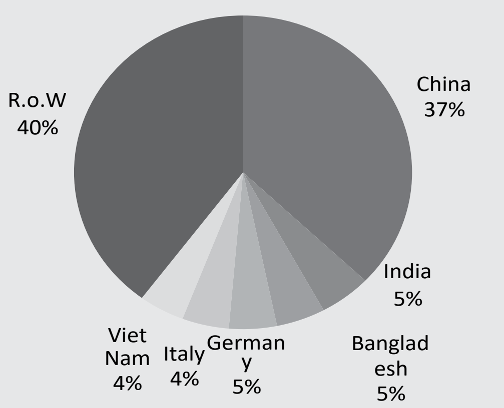
Global textile and apparel trade in 2017 stood at US$ 750 bn. The same has grown at a CAGR of 2% during last ten years. Global apparel trade constitutes the majority share of 57% in the overall trade of textile and apparel. Global textile and apparel trade had witnessed a declining trend since 2014, however, in 2017 trade grew by 1% (y-o-y) indicating a resurgence in demand.

***Chart 4:*** *Global Textile & Apparel Trade (US$ Bn.)*


*Source: UN Comtrade*

China is the largest exporter with 37% share in global textile and apparel exports in 2017, followed by India with 5% share. Other major exporters include Bangladesh, Germany, Italy and Vietnam.

***Chart 5:*** *Top Textile & Apparel Exporters-2017*




*Source: UN Comtrade*

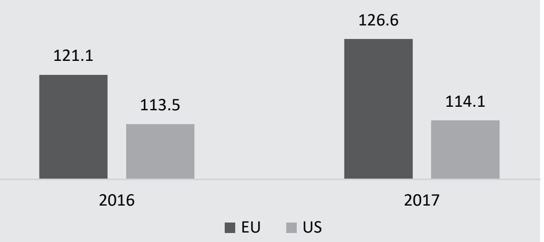
### Import Scenario of Major Textile and Apparel Markets

### European Union

Data from European Textile and Apparel Confederation (EURATEX) suggests that overall import of textiles and apparel into Europe across all product types increased from US$ 121 Bn. in 2016 to US$ 127 bn. in 2017, with textile imports up 6% to reach US$ 34 bn while apparel imports increased by 4%.

In apparel category, women's-wear was the largest category with 36% share followed by men's wear 25% and babies wear 3%. China, Turkey, India, Bangladesh, USA, Cambodia and Pakistan were the major suppliers of textile and apparel products to EU.

***Chart 6:*** Textile & Apparel Imports (US$ Bn.)




*Source: OTEXA, Euratex (Imports include Extra EU imports only)*

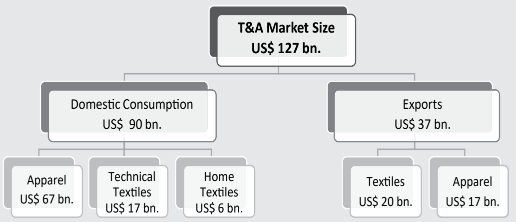
**United States**

US imported textile and apparel products worth US$ 114 bn. in 2017, increasing by 0.5% as compared to previous year. Apparel was the largest imported category with 73% share followed by home-textiles (11%) and fabrics (6%). In apparel category, womenswear had the largest share of 38% followed by menswear (27%) and kidswear (3%). China was the largest supplier to US accounting for 36% share. Other major suppliers include Vietnam (11%), India (7%), Mexico (5%) and Bangladesh (5%).

## 2.2 Indian Textile and Apparel Market Overview

Textile plays an important role in the Indian economy. It contributes to ~14% to industrial production and 4% to GDP. With over 45 million people, the industry is one of the largest employers of the country. The size of India's textile and apparel market, was around US$ 127 bn. in 2017. It is expected to touch US$ 300 bn. by the year 2025, growing at a CAGR of 11% between 2017-2025[5].

***Chart 7:*** *Indian Textile & Apparel Market 2017*




*Source: UN Comtrade and Wazir Analysis*

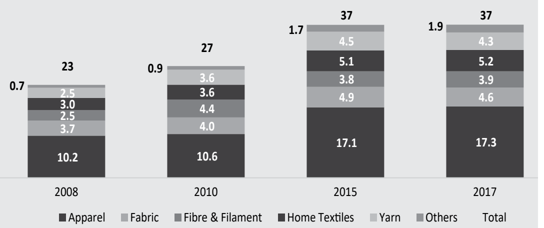
**Category wise Exports of India**

Globally, India is ranked 2nd in textile export with 6% share and 5th in apparel export with 4% share. Overall, India holds second position with 5% share of global textile & apparel exports. India's textile and apparel exports stood at US$ 37 bn. in 2017 and have grown at 6% CAGR over the last decade. Availability of raw material, skilled manpower and favorable central & state govt. schemes would further help Indian exporters increase their market share and global competitiveness.

Apparel is the largest category exported from India having a share of 47% in the total textile and apparel exports during 2017. Home textiles is the second largest category exported from India with a share of 14%, followed by fabric exports (12%).

Share of fabric in textile and apparel exports from India has seen a decline over the last decade with 16% share in 2008 to 12% in 2017. On the other hand, share of apparel grew by 2% during the last decade. Home-textiles share has remained stagnant at 14% during the same period. India is focusing toward export of apparel and home-textile categories in order to capitalize on value addition.

***Chart 8:*** *Indian Textile & Apparel Trade (US$ bn.)*




*Source: UN Comtrade*

**India's Manufacturing Scenario**

The Indian textile industry is one of the largest in the world with a large raw material base and manufacturing strength across the value chain. Presence of mill sector and handloom both makes India's textile industry unique as compared to other textile industries of the world. With an installed capacity of more than 50 million spindles and more than 8 Lakh rotors, India's textile industry is the second largest in the world.[7] Traditional sectors like handloom, handicrafts and power-loom units are the biggest source of employment for millions of people based in rural and semi urban parts of India.

---

[5] *Wazir Estimates*

Total fiber production in India decreased from 1,364 Mn. Kg. in 2016-17 to 1,319 Mn. Kg.in 2017-18, witnessing a decline of 3%. Production of yarn remained almost stagnant as compared to previous year, pegged at 5,676 Mn. Kg. in 2017-18. However, fabric production registered a growth of 5% from 63,480 Sq. Mtr. in 2016-17 to 66,547 Sq. Mtr. in 2017-18[6].

**Growth Drivers for the Indian Textile & Apparel Industry**

- **Rising disposable income of the country:** India has a large population base with more than 1.25 billion people. About half of India's population is under 25 years. Young population of India will soon turn into working population, resulting in increased disposable income of the country. As a result of the increased purchasing power, major lifestyle categories would witness a boost in demand. Apparel would be one of the most important categories among other lifestyle products.
- **Women's lifestyle shifting from home-oriented to career oriented:** Driven by pressures of urban living, roles that an Indian women have to play are getting redefined. Along with household activities, women have started contributing to household income as well. India could boost its growth by 1.5 percentage points to 9% per year if around 50% of women join the work force. Currently, rate of women's participation in workforce stands at 27% in India.[7] Number of working women in urban area is expected to get doubled from 3 crore in 2016 to 6 crore in 2025[8]. Increasing number of women in the workforce will boost the demand for women's work-wear segment.
- **Shift from need based buying to aspiration based buying:** About a decade ago, people in India purchased products as per their requirements. But now, scenario has changed completely. Consumers of India have become more focused towards improving their lifestyle and buying aspiration based products more.
- **Increased urbanization:** India has witnessed a drastic increase in urban population as a result of rising industrialization and expansion of cities. Growing urban culture is also affecting rural areas on a large scale. Increased urbanization has caused population of India to indulge more into the purchase of fashion and lifestyle products. This is going to have a major impact on growth of apparel consumption in India.
- **Increased retail penetration:** Growing digitalization in India and increasing number of internet users have resulted in surge in online shopping. People find online shopping more convenient and versatile in terms of discounts, payment methods and return/exchange. Growth in online retail will also boost apparel sales in India.

**Business Strategy**

Alok Industries has created global scale of operations across its value chain and has enjoyed significant presence in domestic polyester filament yarn industry and global textile markets in the earlier years. The objective was to be prepared for the growing global apparel and textiles market for Indian Textile Industry. The strategy, accordingly was to create globally competitive capabilities across the value chain in cotton and polyester - to provide cotton yarn, finished fabrics including embroidery fabrics, bed linen, terry towels and polyester yarn. At peak level of operations, the Company was exporting its products to over 90 countries.

Alok has uniquely positioned itself in the cotton and polyester product streams. While in polyester there is manufacturing of partially oriented yarn (POY), texturised yarn (DTY), fully drawn yarn (FDY) and polyester staple fiber (PSF), on the cotton side there is complete vertical integration from cotton spinning to manufacturing of apparel fabrics, home textiles and garments. While each of these business divisions are like independent value generating entities, the focus is on offering a comprehensive product suite to cater to the ever demanding needs of customers .

**Revival Plans for the Company and admission under the corporate insolvency resolution process defined under Insolvency and Bankruptcy Code, 2016**

The Company was admitted under the CIR process in terms of the Code vide an order of Adjudicating Authority dated 18 July, 2017 ("Order"). Pursuant to the Order, Mr. Ajay Joshi was appointed as the interim resolution professional for the Company and was

*[6] Office of the Textile Commissioner, Ministry of Textile*
*[7] World Bank, ILOSTAT Database*

subsequently confirmed as the resolution professional ("RP") of the Company. During the CIR process, only one resolution plan dated 12 April, 2018 ("Resolution Plan") was received from JM Financial Asset Reconstruction Company Limited, JM Finance ARC – March 18 Trust and Reliance Industries Limited jointly ("Resolution Applicants").

Pursuant to promulgation of the Insolvency and Bankruptcy (Amendment) Ordinance dated 6 June 2018 ("Ordinance"), the voting threshold for approval of Resolution Plan was reduced from 75% to 66% of the voting share of the financial creditors. The Adjudicating Authority in an application filed by Alok Employees Benefit & Welfare Trust, vide its order dated 11 June 2018 directed the committee of creditors of Company ("COC") to re-look and proper consideration of the Resolution Plan. Accordingly, in compliance with the Order, the Resolution Plan submitted by the Resolution Applicants was again placed before the COC for consideration by the RP under Section 30 (4) of the Code (as amended by the Ordinance). The Resolution Plan was approved by the COC with 72.192% assenting voting share. Subsequently, vide its order dated 25 June, 2018, the Adjudicating Authority granted liberty to the RP to file the Resolution Plan for the approval of the Adjudicating Authority under Section 31 of the Code. The application filed by the RP for approval of Resolution Plan on 11 July, 2018 is currently pending adjudication before the Adjudicating Authority.

In terms of Section 25 of the Code, the Company is continuing to operate as a going concern. Further, since the application for approval of the Resolution Plan is pending with the Adjudicating Authority, therefore the financial statements of the Company are being presented on a going concern basis.

It is pertinent to note that certain financial creditors of the Company have filed applications before the Adjudicating Authority as well as the Hon'ble National Company Law Appellate Tribunal, New Delhi ("Appellate Tribunal"), inter alia, challenging the Resolution Plan of the Company. These applications are pending adjudication before the respective tribunals. In the event, the Adjudicating Authority and/or the Appellate Tribunal (or any subsequent appeals) result in the rejection of the Resolution Plan, the Company may be liquidated upon the order of the Adjudicating Authority /Appellate Tribunal/subsequent appellate authority.

**Financial Performance (Stand Alone)**

During the current financial year also Company's sales continued to decline and it made losses. The main reason for losses were provisions / write off of debtors, provisions for impairment in investment and loans given to wholly owned subsidiaries of the Company and finance cost.

The reason for provisioning and write off of debtors is that over the last 4-5 years, manufacturing operations of the Company started coming down and reached about 30% capacity utilisation level. As a measure to counter the drop in sales, the Company increased the trading business in the domestic un-organised market. But due to the tight market situation, this market got affected adversely leading to defaults in payments, a build-up of debtors and elongation of the receivables cycle. The rotational cycle in the market started to disrupt and payments stopped against even the fresh supplies. Many of these parties from the un-organised market were small and fragmented traders who could not withstand the tight market conditions and closed their operations.

The Company, in accordance with the Generally Accepted Accounting Policies and Standards, made a complete provision for doubtful debts and wrote off debtors where required. Looking at the deteriorating situation in the un-organised market and recovery issues, the trading business was discontinued from July 2017.

The stand-alone results give the analysis of the textile business of the Company. Table 2 gives the summarised profit and loss statement of the Company in the current year compared to the previous year.

**Table 2: Summarised Profit and Loss Account**

(Rs. Crore)

| PROFIT & LOSS ACCOUNT | FY 2018 (12 Months Ended 31 March 2018) | | FY 2017 (12 Months Ended 31 March 2017) | |
|---|---|---|---|---|
| | | % to Sales | | % to Sales |
| Domestic Sales | **4,459.13** | | **7,243.08** | |
| Export Sales | **922.82** | | **1,082.98** | |
| **Net Sales** | **5,381.95** | | **8,326.07** | |
| Other Income | 236.31 | | 165.69 | |
| **Total Income** | **5,618.26** | | **8,491.76** | |

[8] *Wazir Estimates*

| PROFIT & LOSS ACCOUNT | FY 2018 (12 Months Ended 31 March 2018) | | FY 2017 (12 Months Ended 31 March 2017) | |
|---|---|---|---|---|
| Material Costs | 5,161.20 | 95.90% | 7,552.25 | 90.71% |
| People Costs | 275.68 | 5.12% | 283.31 | 3.40% |
| Other Expenses | 13,175.14 | 244.80% | 2,496.03 | 29.98% |
| **Total Expenses** | **18,612.00** | **345.82%** | **10331.59** | **124.09%** |
| **EBIDTA** | **(12,993.75)** | **(241.43%)** | **(1,839.83)** | **(22.10%)** |
| Depreciation | (527.80) | (9.81%) | (512.63) | (6.16%) |
| **EBIT** | **(13,521.56)** | **(251.24%)** | **(2,352.46)** | **(28.25%)** |
| Interest & Finance Costs | (4,682.87) | (81.44%) | (3,273.52) | (39.32%) |
| **Profit / (Loss) Before Tax** | **(18,204.43)** | **(338.25%)** | **(5,625.98)** | **(67.57%)** |
| Add/ (Less): Provision for Taxes | (11.19) | (0.21%) | 2,123.56 | (25.50%) |
| **Profit / (Loss) After Tax** | **(18,215.62)** | **(338.46%)** | **(3,502.42)** | **(42.07%)** |

**Profit and Loss Analysis**

- **Net Sales** for the year was Rs.5,381.95 crore comprising of domestic sales of Rs. 4,459.13 crore and export sales of Rs. 922.82 crore. In the previous year, the total sales were Rs. 8,326.06 crore comprising of domestic sales of Rs. 7,243.08 crores and export sales of Rs. 1,082.98 crore. The Company continued to witnessed lower level of operations due to working capital constraints. During the year Company exited the trading business due to losses and recovery issues on account of depressed market conditions, which has resulted into lower sales.

- **Other Income** for the year was Rs. 236.31 crore (previous year Rs. 165.69 crore). The major part of the other income was comprising of interest income on fixed deposit with banks kept for LC / BG margin Rs. 5.82 crore (previous year Rs. 10.70 crore), deemed interest on loans & advances given to subsidiary recognised under IND AS accounting Rs. 130.63 crore (previous year Rs. 118.51 crore), other interest Rs. 1.73 crore (previous year Rs. 0.68 crore) profit on sale of fixed assets, mainly office premises, Rs. 57.32 crore (previous year nil), exchange difference Rs. 13.94 crore (previous year Rs. 14.36 crore), dividend income Rs. 1.98 crore (previous year Rs. 1.67 crore), rent income Rs. 1.37 crore (previous year Rs. 1.46 crore, Sundry Credit balances written back Rs. 19.29 crore (previous year Rs. 0.04 crore) and miscellaneous income of Rs. 2.62 crore (previous year Rs. 19.24 crore).

- **Material Cost** was Rs. 5,161.20 crore in the current financial year as compared to Rs. 7,552.25 crore in the previous period. As a percentage of sales, material cost increased from to 90.71% in the previous period to 95.90% in the current year.

  The increase in material cost is due to losses in the trading business due to depressed market conditions, inadequate working capital for better purchase, pricing pressure on sales, change in product mix, etc.

- **People Costs** was Rs. 275.68 crore in the current financial year as compared to Rs. 283.31 crore in the previous period. As a percentage to sales, it has increased to 5.12% as against 3.40% in the previous period.

- **Other Expenses** was Rs. 13,175.14 crore in the current year as compared to Rs. 2,496.03 crore in the previous period. The major items of other expenses for the year was provision for doubtful debtors Rs. 10,952.51 crore (previous year Rs. 118.22 crore), Provision for doubtful advances Rs. 608.69 crore (previous year Rs. 1,056.61 crore), bad debts written off Rs. 585.51 crore (previous year Rs. -1.04 crore), Power & Fuel Rs. 389.68 crore (previous year Rs. 402.47 crore), diminution in the values of investments Rs.27.10 crore (pervious year Rs. 132.69 crore), packaging material Rs. 114.46 crore (previous year Rs. 100.75 crore), Impairment of fixed assets Rs. 31.56 crore (previous year nil), Sundry balances written off Rs. 66.60 crore (previous year Rs. 2.94 crore), etc.

- **Operating Earnings before Interest, Depreciation, Tax and Amortization (EBIDTA),** was loss of Rs. 12,993.76 crore for the year as compared to loss of Rs. 1,839.82 crore in the previous year.

- **Depreciation** is Rs. 527.80 crore in the current year as compared to Rs. 512.63 crore in the previous year.

- **Interest** expense for the year was Rs. 4,682.87 crore as compared to Rs. 3,273.52 crore in the previous period.

- **Net Profit / (Loss) After Tax** there was a loss of Rs. 18,215.62 crore in the current year against a loss of Rs. 3,502.43 crore in the previous period.

**Cash Flows**

Table 3 gives the abridged cash flow statement of the Company

**Table 3: Summarised Cash Flow Statement**

(Rs. Crore)

| PARTICULARS | FY2018 | FY2017 |
|---|---|---|
| | 31 March 2018 | 31 March 2017 |
| Net cash (used in) /generated from operating activities | **(128.32)** | **(98.06)** |
| Net cash (used in) / generated from investing activities | **194.05** | **(99.94)** |
| Net cash (used in) / generated from financing activities | **(106.78)** | **251.60** |
| Net (decrease) / increase in cash and cash equivalents | (41.05) | 53.60 |
| **Cash and Cash equivalents as on year end** | | |
| At the beginning of the period | 72.17 | 18.57 |
| At the end of the period | **31.12** | **72.17** |
| Net (decrease) / increase in cash and cash equivalents | (41.05) | 53.60 |

**Textiles Business: Operations Review**

**Overview**

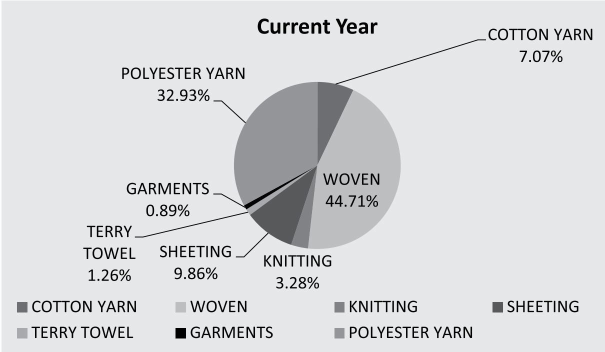
Alok is into single segment business i.e. Textiles. Within Textiles, Alok's business mainly comprises of Cotton spinning, Apparel fabric (Wovens & Knits), Home textiles (Sheeting & Terry Towel), Garments and Polyester. The division wise sales and its bifurcation into domestic and export is given in table 4 and Chart-9 below:

**Table 4: Snapshot of Alok's product-group wise sales distribution**

(Rs. Crore)

| PARTICULARS | 12 M YTD ENDED 31 MAR 2018 | | | | 12 M YTD ENDED 31 MAR 2017 | | | | CHANGE |
|---|---|---|---|---|---|---|---|---|---|
| | LOCAL | EXPORT | TOTAL | % TO SALES | LOCAL | EXPORT | TOTAL | % TO SALES | |
| COTTON YARN | 377.41 | 3.26 | 380.68 | 7.07% | 547.94 | 22.58 | 570.52 | 6.85% | (33.28%) |
| APPAREL FABRIC | | | | | | | | | |
| WOVEN | 2,290.65 | 115.78 | 2,406.43 | 44.71% | 4,859.54 | 142.44 | 5,001.98 | 60.08% | (51.89%) |
| KNITTING | 130.16 | 46.48 | 176.64 | 3.28% | 56.16 | 33.30 | 89.46 | 1.07% | 97.44% |
| | **2,420.80** | **162.26** | **2,583.07** | **47.99%** | **4,915.70** | **175.74** | **5,091.44** | **61.15%** | (49.27%) |
| SHEETING | 4.79 | 525.63 | 530.42 | 9.86% | 2.78 | 549.97 | 552.75 | 6.64% | (4.04%) |
| TERRY TOWEL | 39.62 | 28.09 | 67.71 | 1.26% | 23.93 | 44.02 | 67.95 | 0.82% | (0.35%) |
| GARMENTS | 8.26 | 39.47 | 47.73 | 0.89% | 15.29 | 30.86 | 46.15 | 0.55% | 3.42% |
| POLYESTER YARN | 1,608.23 | 164.11 | 1,772.35 | 32.93% | 1,737.45 | 259.80 | 1,997.25 | 23.99% | (11.26%) |
| **TOTAL** | **4,459.12** | **922.83** | **5,381.95** | **100.00%** | **7,243.09** | **1,082.98** | **8,326.06** | **100.00%** | (35.36%) |

**Chart 9: Share of different product groups in total sales**



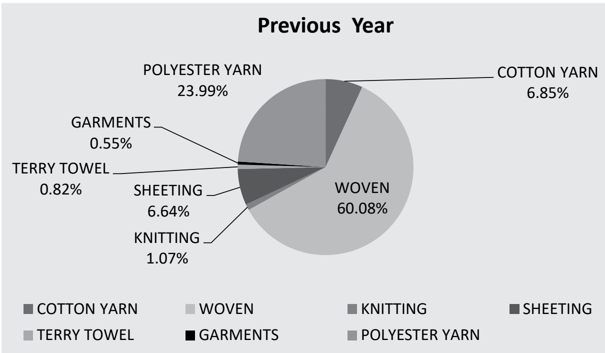




Chart 9 shows that the highest share of sales is from woven apparel fabric accounting for 44.71% as compared to 60.08% in the Previous year. This is followed by polyester yarn whose share has increased from 23.99% in the previous year to 32.93% in the current year, followed by sheeting (Bed sheets) whose share has increased to 9.86% in the current year from 6.64 % in the previous year. The share of cotton spinning for the current year was 7.07% as compared to 6.85% in the previous year. The share of terry towels for the current year was 1.26% as compared to 0.82% in the previous period and lastly garment share was 0.89% as compared to 0.55% in the previous year.

### Exports

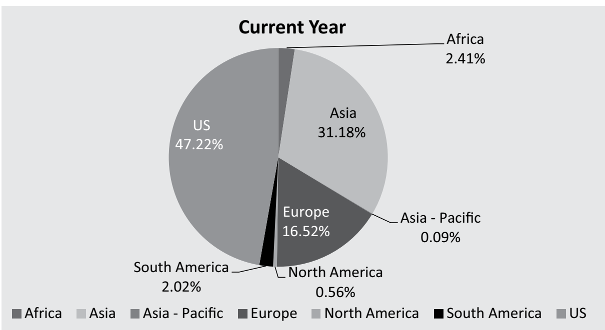
Alok's export business was affected due to the liquidity crunch adversely impacting production and uncertainty in the minds of customers about getting timely delivery due to the ongoing CIR process. Consequently, export sales reduced to Rs.922.82 crore in the current year as against Rs. 1, 082.98 crore in the previous period.

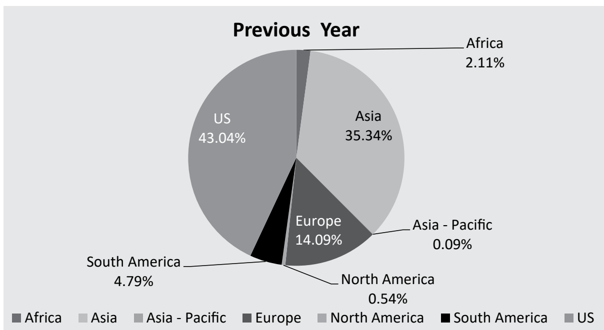
Table 5 gives the share of different regions in Alok's exports. The share of Alok's exports to different regions of the world is given in Chart 10. USA remains the dominant market with 47.23% share in the current year. The share of Asia has decreased from 35.34% in the previous year to 31.19% in the current year, while that of Europe has increased from 14.09% in the previous year to 16.52% in the current year.

**Table 5: Regional Distribution of Exports**

| Regions | 31 MAR 2018 | | | 31 MAR 2017 | | |
|---|---|---|---|---|---|---|
| | Rs. Crore | US$ Mn | % of Exports | Rs. Crore | US$ Mn | % of Exports |
| Africa | 22.24 | 3.49 | 2.41% | 22.85 | 3.44 | 2.11% |
| Asia | 287.80 | 45.17 | 31.19% | 382.77 | 57.65 | 35.34% |
| Asia – Pacific | 0.80 | 0.13 | 0.09% | 0.96 | 0.14 | 0.09% |
| Europe | 152.41 | 23.95 | 16.52% | 152.54 | 22.92 | 14.09% |
| North America | 5.15 | 0.81 | 0.56% | 5.83 | 0.88 | 0.54% |
| South America | 18.60 | 2.93 | 2.02% | 51.89 | 7.81 | 4.79% |
| US | 435.81 | 68.35 | 47.23% | 466.13 | 70.15 | 43.04% |
| **Total** | **922.82** | **144.83** | **100.00%** | **1,082.98** | **162.98** | **100.00%** |

**Chart 10: Share of different regions in Alok's exports**



### Manufacturing Capacities

Table 6 gives the manufacturing capacities of the Company in different divisions.

**Table 6: Alok's Manufacturing Capacities**

| Division | Units | Capacity p.a. 2017-18 |
|---|---|---|
| **Spinning - Cotton Yarn** | Tons | 68,000 |
| **Home Textiles** | | |
| Sheeting Fabric | Mn. Mtrs | 90 |
| Equivalent Sheet Sets | Mn. Sets | 16 |
| Terry towels | Tons | 14,400 |
| **Apparel Fabrics** | | |
| Woven fabric | Mn. Mtrs | 108 |
| Knits | Tons | 18,000 |
| **Garments** | Mn. Pcs | 10 |
| **Polyester** | | |
| Continuous Polymerisation | Tons | 465,400 |
| Partially Oriented Yarn (POY)/Chips | Tons | 322,200 |
| Draw Texturised Yarn (DTY) (out of POY capacity) | Tons | 232,700 |
| Full Drawn Yarn (FDY) | Tons | 57,280 |
| Polyester Staple fibre / Cationic Yarn | Tons | 85,920 |
| Master Batch | Tons | 5,400 |

### Quality, Safety, Health and Environment

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

The Company's adherence to internationally recognized certification standards and compliances has been recognized by renowned certification bodies (see Table 7). Today, the Company has the following accreditations:

**Table 7: Certification- Division, Plants & Location Covered**

| Certification | Division / Plant / Location |
|---|---|
| | |
| ISO 14001:2015 (EMS) | Process House, Vapi (Normal & Wider width) |
| | |
| OHSAS 18001:2007 (Integrated Management System) | • Terry Towel, Vapi |
| | • Weaving, Silvassa |
| | • CP, POY, FDY,PSF and Texturizing, Silvassa |
| | • Spinning and Knitting, Silvassa |
| | • Embroidery, Silvassa |
| | • Made Ups & Garments, Vapi |

| Certification | Division / Plant / Location |
|---|---|
| Social Accountability | • Process House, Vapi (Normal & Wider width) |
| | • Weaving, Silvassa |
| | • Made Ups & Garments, Silvassa |
| | • Terry Towel Division, Vapi |
| | • Made Ups & Garments – Vapi |
| | |
| GOTS: Global Organic Textile Standards/ OCS-Organic Content Standard. | • Head Office, Mumbai |
| | • Spinning & Knitting Division, Silvassa |
| | • Weaving Division, Silvassa |
| | • Process House (Normal & Wider Width), Vapi |
| | • Made-ups & Garments Division, Silvassa |
| | • Terry Towel Division, Vapi |
| | • Hemming Division, Silvassa |
| | • Made-ups Division, Vapi |
| | • Embroidery Division, Silvassa |
| | |
| Fair Trade | • Spinning & Knitting Division, Silvassa |
| | • Weaving Division, Silvassa |
| | • Process House (Normal & Wider Width), Vapi |
| | • Made-ups & Garments Division, Silvassa |
| | • Terry Towel Division, Vapi |
| | • Hemming Division, Silvassa |
| | • Made-ups Division, Vapi |
| | |
| OEKO Tex Standard – Product Class I & II | • Made –ups (Product Class I & II) |
| | • Woven & Knitted Fabric (Product Class I & II) |
| | • Texturized Yarn (Product Class I) |
| | • Cotton and blended yarn (Product Class I) |
| | • Terry Towels (Product Class I & II) |
| | • Garments (Product Class I) |
| | |
| NABL | • Process House Lab Normal Width, Vapi |

**Alok also holds the following certifications:**

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

In addition to the certifications, Alok's performance, especially in exports of cotton goods and polyester yarn have been recognized through successive awards from TEXPROCIL and SRTEPC over the years.

**Human Resource**

Alok has always maintained that one of the key resources it has are its human resources and it takes all care to ensure that employees remain connected and motivated. The fact that most of the key employees continued with the Company in these challenging times by itself indicates the commitment of its human resources. During the period under review, employee training and engagement activities could not be taken up due to difficult operating conditions.

**Subsidiaries - Textiles**

**Mileta**

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

Mileta has high end technological skill in yarn-dyed fabrics and hemming that results in higher per unit realisations. The Mileta range of products includes handkerchiefs, high quality shirting, batistes and voiles, complete line of functional table linen and bed linen. Alok also uses Mileta's extensive marketing network in Europe, Russia and Africa to promote its existing products.

**Subsidiaries**

**UK Retail: Store Twenty One**

Alok held a 99.87% equity in Grabal Alok (UK) Ltd (Grabal (UK), a Company that used to operate the 'Store Twenty One' chain of value-format stores in UK, through its step down subsidiary Alok Industries International Limited and Grabal Alok International Limited.

The Company was continuously making losses and during the period under review it underwent restructuring by way of Creditors Voluntary Arrangement (CVA) and also stores which were making losses were closed down. However, the CVA scheme could not be implemented due to scarcity of funds and finally Grabal Alok UK was taken under liquidation on 10th July 2017. The process of liquidation is on presently. Considering this, the Company has made full provision of the investment / advances given to the said subsidiary.

**Real Estate: Alok Infrastructure Limited**

The Company had made investments in the realty sector through its 100% subsidiary Alok Infrastructure Limited. The plan was to create value and monetise the same at the right opportunity. However, depressed market conditions in the real estate space resulted in: (i) the Company having to dispose off some of its assets at losses and (ii) restricting the Company's ability to monetise the land bank at Silvassa. The Company has sold its investment in two joint ventures (held through Alok Infrastructure Limited) in the course of the financial year ending 31st March 2018. The Company has also provided for the loans / advances to the extent not recoverable from its subsidiaries.

The performance of all of subsidiaries and step down subsidiaries are given in table 10.

**Consolidated Results**

Tables 8, 9, and 10 give the profit and loss highlights, balance sheet highlights and Company wise sales of Alok as a consolidated entity

**Table 8: Consolidated Profit and Loss Summary**

(Rs. Crore)

| Particulars | 31 March 2018 | | 31 March 2017 | |
|---|---|---|---|---|
| | Amount | % to Sales | Amount | % to Sales |
| Net Sales | 5562.08 | | 8,919.42 | |
| Other Income | 256.61 | | 65.58 | |
| **Total Income** | **5,818.69** | | **8,985.00** | |
| Material Costs | 5,284.67 | 95.01% | 7,940.12 | 89.02% |
| People Costs | 323.19 | 5.81% | 329.07 | 3.69% |
| Other Expenses | 13,522.03 | 243.11% | 2,106.17 | 23.61% |
| **Total Expenses** | **19129.90** | **343.93%** | **10,375.37** | **116.32%** |
| **Operating EBIDTA** | **(13,311.20)** | **(239.32%)** | **(1,390.37)** | **(15.59%)** |
| Depreciation | (544.61) | (9.79%) | (560.71) | (6.29%) |
| **Operating EBIT** | **(13,855.82)** | **(249.11%)** | **(1,951.07)** | **(21.87%)** |
| Interest | (4,711.33) | (84.70%) | (3441.80) | (38.59%) |
| **Operating Profit Before Tax** | **(18,567.15)** | **(333.82%)** | **(5,392.88)** | **(60.46%)** |

(Rs. Crore)

| Particulars | 31 March 2018 | | 31 March 2017 | |
|---|---|---|---|---|
| | Amount | % to Sales | Amount | % to Sales |
| Less : Provision for Taxation | (10.43) | (0.19%) | 2,320.84 | 26.02% |
| **Profit After Tax** | **(18,577.58)** | **(334.00%)** | **(3,072.03)** | **(34.44%)** |
| Share of profit / (loss) from associates (net) | (0.48) | | (11.11) | |
| **Profit After Minority Interest** | **(18,578.06)** | | **(3,083.14)** | |

**Table 9: Consolidated Balance Sheet Summary**

(Rs. Crore)

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|---|---|---|
| Share Holders Funds | (16,677.17) | 1,689.36 |
| Non Current Liabilities | 7,524.41 | 9,376.64 |
| Current Liabilities | 27,853.13 | 21,639.96 |
| **Total Equity and Liabilities** | **18,700.37** | **32,705.96** |
| Non Current Assets | 17,639.82 | 18,518.90 |
| Current Assets | 1,060.55 | 14,187.06 |
| **Total Assets** | **18,700.37** | **32,705.96** |

**Table 10: Company wise sales in total Consolidated Sales**

(Rs. Crore)

| Sr. No. | Name of the Company | 31.03.2018 | | 31.03.2017 | |
|---|---|---|---|---|---|
| | | Sales | Profit/(Loss) | Sales | Profit /(Loss) |
| 1 | Alok Industries Limited | 5,381.95 | (18,215.61) | 8,326.06 | (3,502.42) |
| 2 | Alok Infrastructure Limited | 0.69 | (213.72) | 0.15 | (399.67) |
| 3 | Alok International Inc. | - | (473.21) | 13.48 | (94.13) |
| 4 | Mileta A.S | 179.75 | 8.60 | 177.70 | 3.27 |
| 5 | Grabal Alok (UK) Limited | - | (30.81) | 402.41 | (7.78) |
| 6 | Alok Industries International Limited | - | (335.29) | - | (18.06) |
| 7 | Grabal Alok International Limited | - | (0.45) | - | (10.55) |
| 8 | Alok World Wide Limited | 0.64 | 0.00 | 2.59 | 0.23 |
| 9 | Alok Global Trading (Middle East) FZE | 0.04 | 135.51 | 0.15 | (87.53) |
| 10 | Alok Singapore Pte Limited | 0.05 | 364.49 | 4.43 | (2.35) |
| 11 | Alok International (Middle East) FZE | 7.68 | (13.17) | 16.84 | 0.39 |
| | Total | 5,570.80) | (18,773.67) | 8,943.82 | (4,118.60) |
| | Effect of elimination entries | (8.73) | 195.61 | (24.39) | 1,035.46 |
| | **Consolidated (Loss) / Profit** | **5,562.08** | **(18,578.06)** | **8,919.42** | **(3,083.14)** |

**Sustainable Business Practices and Corporate Social Responsibility (CSR)**

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

## Ethical Fibre

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

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

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

Alok has led from the forefront amongst Indian companies adopting use of such fibres. The Company is GOTS certified and a member of Better Cotton Initiative (BCI) quality manufacturer supplying Organic and Better Cotton textile products to the world's leading brands in Europe and the US. As a Fair Trade (FLO) certified Company, Alok values the fair price concept across the value chain. The Company has been instrumental in a few of the well-known Organic and Fair Trade cotton projects in India and abroad.

Similarly, Cotton made in Africa (CMiA) is another important variant of sustainable cotton which Alok can use based on the specific requirements of its customers.

## Sustainable Manufacturing

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

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

## Social Development

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

Alok had also given its support in establishing a school - Alok Public School - in Silvassa, which now has a student base of close to 750 and is a much coveted school in the township and surrounding areas. The School has been granted the esteemed CBSE affiliation and also recognized as a 'New Generation' CBSE school for its innovative methods and practices.

However due to paucity of funds, the Company has not been able to spend any amount during the year on its social development activities.

## Risks & Risk Mitigation

This section contains the Company's view on risk and the critical risk factors for the Company. This section also provides the manner in which the Company manages risk through its risk management processes.

## Raw Material

The Company's operations and profitability are significantly dependent on the timely availability and price of raw materials used in production process. The primary raw materials for textile operations are cotton and PTA & MEG. The Company also buys cotton yarn, polyester yarn and fabrics of specifications required by customers but are not produced in its plants.

Being an agricultural commodity, prices of cotton are affected by a range of factors like changes weather conditions affecting sowing, government policies and regulations. Governing taxes, tariffs, duties, subsidies, import and export restrictions on agricultural commodities and commodity products, etc. All of these influence pricing and demand- supply situation in this industry. The planting of certain crops versus other uses of agricultural resources, the location and size of crop production, volume and types of imports and exports, etc. determine availability of cotton. As the tables 11 and 12 below show cotton prices during 2017-18, after some reduction, stabilised and are moving in an upward directions in the last few months.

**Chart 11: Price Movement of Cotton MECH**

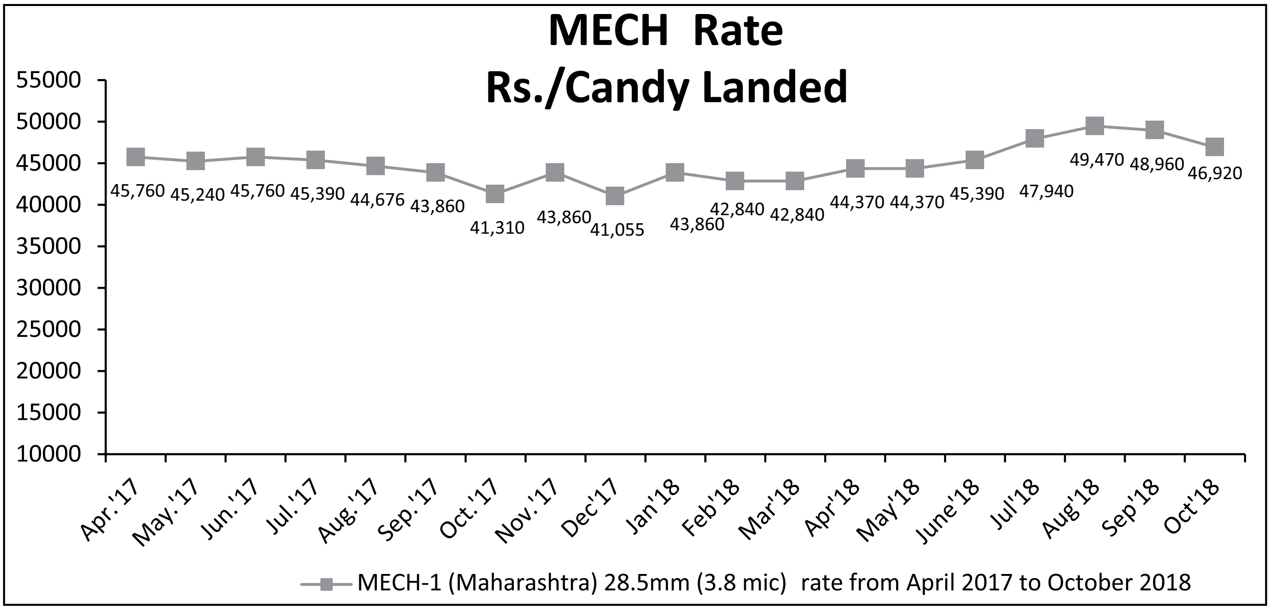
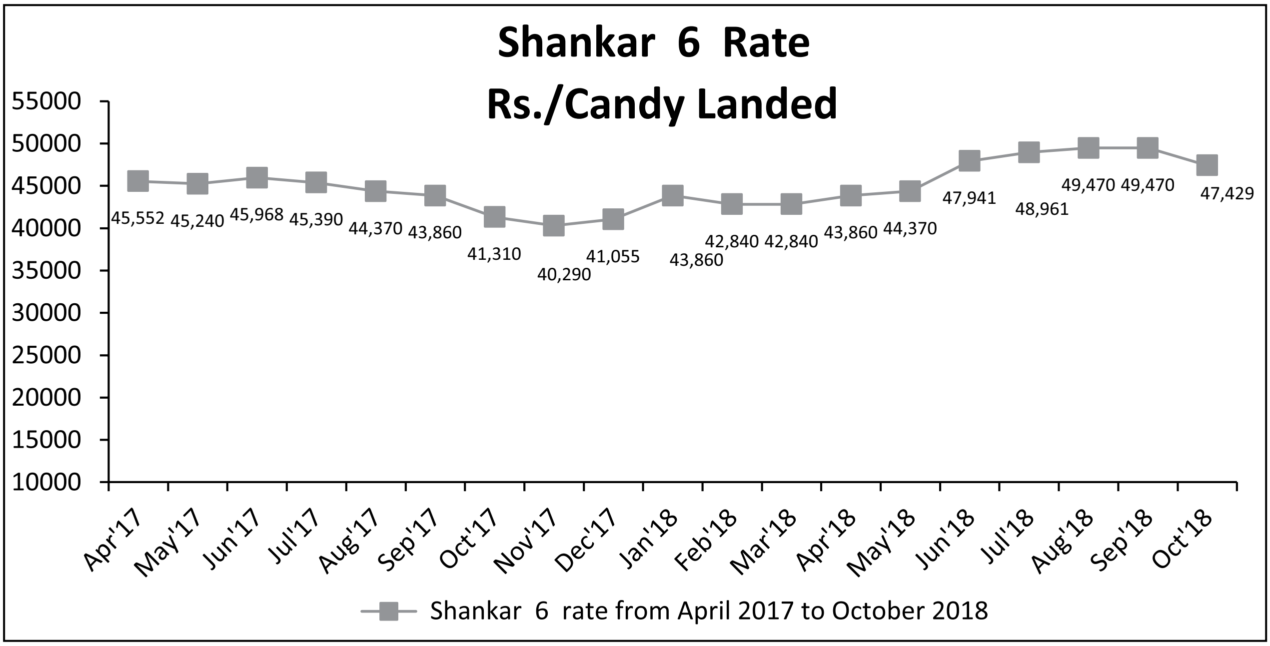
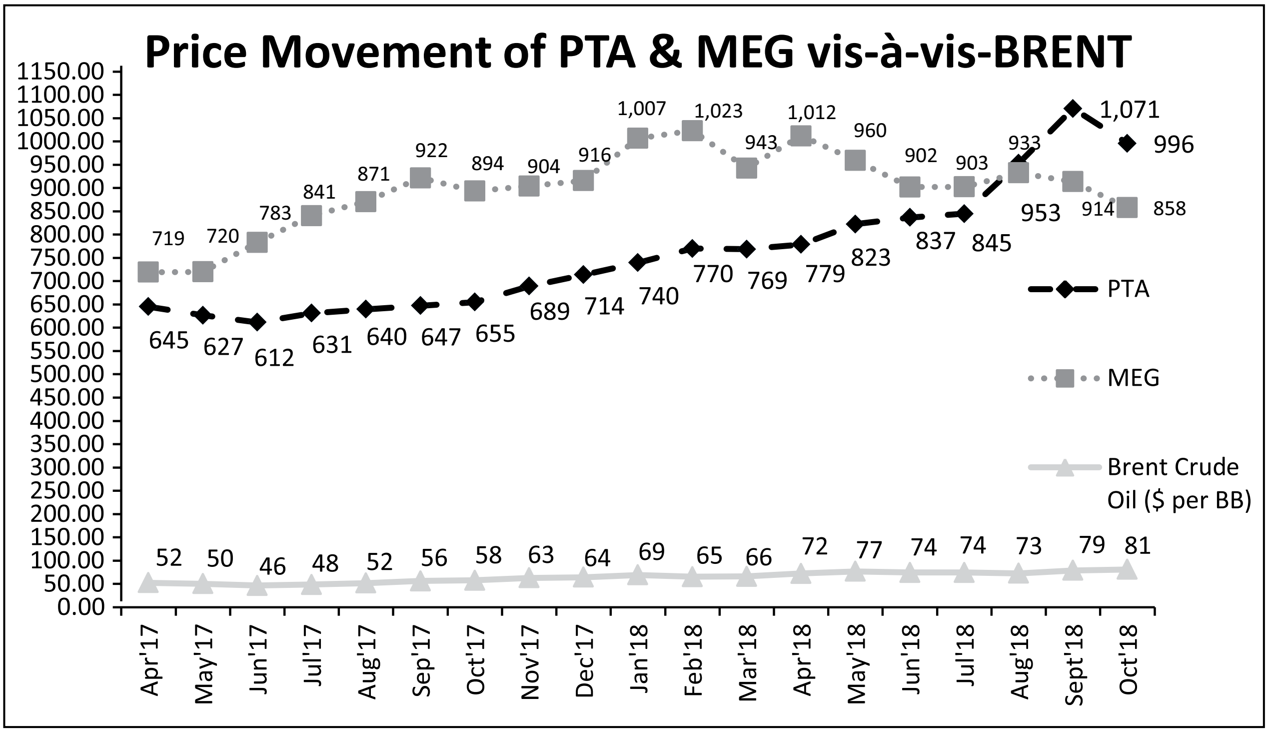



**Chart 12: Price Movement of Cotton Shankar 6**




For Company's polyester yarn operations, PTA and MEG are the major raw materials that are required in manufacturing POY and other polyester yarn. Being petrochemical products, prices of PTA and MEG are linked to naphtha prices and ethylene prices, respectively, which in turn fluctuate in line with fluctuations in the crude oil prices as can be seen from the Chart below.

**Chart 13: Price Movement of PTA & MEG vis-à-vis BRENT**




As can be seen from the chart above, both PTA and MEG prices were on upward trend during the financial year 2017-18 and have moved in tandem with the increase in the price of crude oil.

PTA prices moved from USD 645 per ton in April 2017 to USD 769 per ton in March 2018 and continued to increase and reached to USD 996 per ton in October 2018.

MEG prices have also increased from USD 719 per ton in April 2017 to USD 943 per ton in March 2018 and have come down to USD 858 per ton in October 2018.

Being a commodity product, the prices of finished goods like Texturised Yarn (DTY) and Fully Drawn Yarn (FDY), etc. also move with the movement in raw material prices albeit with a lag on both sides.

**Markets**

The Company's products have markets both in domestic as well as exports. Overall, exports have in the past and in future will account for sizeable part of the sales revenue. The exports markets, predominantly USA and Europe, are very competitive with very high emphasis on timely delivery.

Ability to develop products as demanded by customers and design capability are critical for exports markets and the Company has been successful in meeting these demands over the years and as late as 16-17 also won the export award instituted by the Government. At the same time, India no longer enjoys preferred market access and this is allowing countries like Bangladesh to become price competitive. As a result, while the overall demand for textile products in Company's major markets is not declining, other nations like Bangladesh are competing aggressively to capture market share. The Company is progressively widening its markets with increasing focus on Asia and some countries in Africa to mitigate the challenges that are likely to arise in the developed markets. To its credit the Company has been able to retain key customers in USA and Europe, albeit with lower volumes, despite the current situation of the Company. In the event the Resolution Plan is implemented by the Resolution Applicants, , the Company is confident of bringing into its fold, customers who have moved away in the last two years given the quality of the products and capacity to supply large volumes consistently.

The domestic apparel fabric market is fragmented with low cost competition and longer credit terms which the Company is not in a position to provide. However, the Company has started building relationships with large retailers (physical and on line) to supply fabrics and garments and once the Company stabilizes, increasingly large volumes are expected to be supplied and the Company expects that it will be able to command a preferred supplier status given the quality, design capability and the capacity available to provide large volumes on a consistent basis.

The Company has always been a leading supplier of Polyester Yarns over the years given its large capacity and the quality and the range of its products. Even though the Company has been operating only at 50%

of its capacity due to the adverse financial situations, it has continued to utilize fully, the balance 50% even today and managed to obtain some premium pricing. Stabilized operations when achieved should re-establish the Company as a premium supplier of Polyester Yarn and fiber.

**Information Technology Risk**

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

The Company runs a centralised database application with the primary data centre at the corporate office with commensurate IT infrastructure. Disaster recovery of data and application is achieved through servers installed in two different locations outside the Corporate office. Adequate back up power is provided through multiple UPS systems and external power backup of the Corporate office.

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

Due to the liquidity crunch prevailing over the last few years, the Company's ERP system is not under Annual Maintenance Contract (AMC) from SAP and is being managed by the in-house team. In case of major SAP related issues or system shut-offs, the Company may not get timely support from SAP and can face some disruption in operations. The Company plans to migrate to the updated version of the SAP and also carry out much needed replacement of its hardware, much of which is very old on priority once the implementation of the Resolution Plan starts.

**Financial Risk**

The large debt burden and rising interest cost caused defaults in payment of its obligations leading to the Company being admitted under the CIR process on 18 July, 2017 vide an order of the Adjudicating Authority. The application filed by the RP for approval of Resolution Plan on 11 July, 2018 is currently pending adjudication before the Adjudicating Authority. In the event the Resolution Plan is approved, the capital structure and the associated risk profile of the Company is expected to significantly change and therefore at the moment, the management is not able to comment on the future capital structuring of the Company and the resultant change in the risk profile.

**Currency Risk**

The Company is subject to significant currency exposure risk given its significant dependence on exports. At the same time, the Company, at present, cannot avail any facilities from the banking system that allows it to hedge the currency exposure. Once the Resolution Plan, if approved by the Adjudicating Authority is implemented by the Resolution Applicants, the Company expects to obtain necessary lines from the banking system and institute a hedging policy to mitigate currency risks.

**Outlook**

Subject to the adjudication of the Adjudicating Authority and other appellate authorities in relation to the approval of the Resolution Plan and with the support of the Resolution Applicants, the Company is well positioned in terms of capacities, capabilities and established customer relationships to capitalise on market opportunities. The Company's operations are affected mainly due to lack of adequate working capital. Approval of the Resolution Plan would enable the Company to progressively ramp up operations.

**Internal Control and Adequacy**

The Company has in place well established framework of internal control system, commensurate with the size and complexity of its business. The Company has an independent internal audit function covering major areas of operations and is carried out by external firms of Chartered Accountants engaged for this purpose.

**Cautionary Statement**

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations and are made on the assumption that the Resolution Plan for the Company will be approved / upheld by the Adjudicating Authority and the Appellate Authorities at various levels and implemented. As explained in the discussions under "Revival Plan", in case the challenges to the plan succeed, then the Company may be ordered to be liquidated by the concerned authorities. These statements have been based on current expectations and projections about future events. Wherever possible, all precautions have been taken to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. Such statements, however, involve known and unknown risks, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs and may cause actual results to differ materially. There is no certainty that these forward-looking statements will be realised, although due care has been taken in making these assumptions. There is no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise

# REPORT ON CORPORATE GOVERNANCE

Corporate governance is a modus operandi of governing a corporate entity which includes a set of systems, procedures and practices which ensure that the Company is managed in the best interest of all corporate stakeholders i.e. shareholders, employees, suppliers, customers and society in general. Fundamentals of Corporate Governance include transparency, accountability, reporting and independence. For accomplishment of the objectives of ensuing fair Corporate Governance, the Government of India has put in place of framework based on the stipulations contained under the Companies Act, 2013, SEBI Regulations, Accounting Standard, Secretarial Standards etc. Corporate Governance has become a buzzword in the corporate world. Globalization, widespread of shareholders, changing ownership structure, greater expectations, etc. have made a good Corporate Governance sine qua non of modern management.

**COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Board of Directors of the Company (the **"Board"**) is at the core of our corporate governance practice and oversees how the management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure healthy standards of Corporate Governance. However, a company undergoing insolvency resolution process is exempted from the requirement of, amongst others, composition of board of directors, constitution, meetings and terms of reference of the audit committee, constitution, meetings and terms of reference of the nomination and remuneration committee, constitution, meetings and terms of reference of the stakeholders' relationship committee as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"SEBI LODR Regulations"**). Further, the role and responsibilities of the Board of Directors as specified under Regulation 17 of the SEBI LODR Regulations is required to be fulfilled by the interim resolution professional or resolution professional, as the case may be.

This is to apprise the members that pursuant to an application made by State Bank of India, the Hon'ble National Company Law Tribunal, Ahmedabad bench **("Adjudicating Authority")**, vide its order dated 18 July 2017, had ordered the commencement of the corporate insolvency resolution **("CIR")** process in respect of your company under the provisions of the Insolvency and Bankruptcy Code, 2016 (the **"Code"**). Thereafter, in accordance with Section 17 of the Code, the powers of the Board stood suspended and Mr. Ajay Joshi was appointed as interim resolution professional of the Company who was later confirmed as Resolution Professional of the Company on 16 August, 2017 for the management of the affairs of the Company **("RP"/ "Resolution Professional")**.

In compliance with the provisions of Section 134(3) of the Companies Act, 2013, a report containing the details and information as required to be disclosed in the Report on Corporate Governance to the shareholders of the Company is provided hereunder.

During the CIR process, only one resolution plan dated 12 April, 2018 **("Resolution Plan")** was received from JM Financial Asset Reconstruction Company Limited, JM Finance ARC – March 18 Trust and Reliance Industries Limited jointly **("Resolution Applicants")**.

Further, pursuant to promulgation of the Insolvency and Bankruptcy (Amendment) Ordinance dated 6 June 2018 **("Ordinance")**, the voting threshold for approval of Resolution Plan was reduced from 75% to 66% of the voting share of the financial creditors. The Adjudicating Authority in an application filed by Alok Employees Benefit & Welfare Trust, vide its order dated 11 June 2018, directed the committee of creditors of Company **("COC")** for a re-look and proper consideration of the Resolution Plan **("Order")**. Accordingly, in compliance with the Order, the Resolution Plan submitted by the Resolution Applicants was again placed before the COC for consideration by the RP under Section 30 (4) of the Code (as amended by the Ordinance). Thereafter, the Resolution Plan was approved by the COC with 72.192% assenting voting share. Subsequently, vide its order dated 25 June, 2018, the Adjudicating Authority granted liberty to the RP to file the Resolution Plan for the approval of the Adjudicating Authority under Section 31 of the Code. The application filed by the RP for approval of Resolution Plan on 11 July, 2018 is currently pending adjudication before the Adjudicating Authority.

A report on Compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) in Chapter VI of the SEBI LODR Regulations is given below:

## (1) BOARD OF DIRECTORS

As the powers of the Board stood suspended with effect from 18 July, 2017 and the Resolution Plan is pending for approval before the Adjudicating Authority, there was no Board meeting held during the financial year under review except on 30 May, 2017.

### 1.1 Composition of the Board:

The Board is entrusted with an ultimate responsibility of the Management, directions and performance of the Company. The Board of your Company has a good mix of Executives and Non-Executive Directors. The Board had 10 directors, comprising of five Executive Directors, two Non-Executive Independent Directors and three Nominee Directors.

The following is the Composition of the Board as on 31st March, 2018#:

| Sr. No. | Name of the Director | Category of Director | No. of Director-ship held (including Alok) | Committee(s) position (including Alok) | |
|---|---|---|---|---|---|
| | | | | Member | Chairman |
| 1 | Mr. Surinder Kumar Bhoan | Chairman<br>Non-Executive Independent Director | 2 | 2 | 2 |
| 2 | Mr. Keshav D. Hodavdekar | Non-Executive Independent Director | 3 | 1 | 0 |
| 3 | Mr. Ashok B. Jiwrajka | Executive Director &<br>CE (Home Textiles) | 6 | 1 | 0 |
| 4 | Mr. Dilip B. Jiwrajka | Executive Director &<br>CE (Apparel Fabrics) | 6 | 1 | 0 |
| 5 | Mr. Surendra B. Jiwrajka | Executive Director &<br>CE (Polyester) | 6 | 1 | 0 |
| 6 | Mr. Senthilkumar M.A | Executive Director &<br>CEO (Processing) | 1 | 0 | 0 |
| 7 | Mr. Tulsi Tejwani | Executive Director &<br>CEO (Weaving) | 1 | 0 | 0 |
| 8 | Mr. Suneet Shukla | Non-Executive Non Independent Director<br>Nominee Director -IFCI Limited | 3 | 0 | 0 |
| 9 | Mr. Atanu Sen* | Non-Executive Non Independent Director<br>Nominee Director -State Bank of India | 7 | 0 | 0 |
| 10 | Mr. Pradeep Kumar Rath** | Non-Executive Non Independent Director<br>Nominee Director -LIC of India | 1 | 0 | 0 |

#Pursuant to commencement of the CIR process of the Company, the powers of the Board stand suspended and are to be exercised by the interim resolution professional or resolution professional, as the case may be, in accordance with the provisions of the Code. Further, in terms of the SEBI LODR Regulations, a company undergoing CIR process is not required to comply with Regulation 17 of the SEBI LODR Regulations dealing with the requirement of composition of the board of directors.

Notes:

i. Directorship excludes Section 8 Companies.

ii. Chairmanship/ Membership of Committees only include Audit Committee and Stakeholder Relationship Committee in Indian Listed Public Companies as per Regulation 26 of the SEBI LODR Regulations.

iii. Members of the Board of the Company do not have membership of more than ten Committees and Chairman of more than five Committees.

iv. *Nomination of Mr. Atanu Sen was withdrawn with effect from 4th July, 2018.

v. **Nomination of Mr. Pradeep Kumar Rath was withdrawn with effect from 9th May, 2018.

### 1.2 Meetings and Attendance:

During the financial year ended 31st March, 2018, one Board Meeting was held on May 30, 2017.
The last Annual General Meeting was held on September 29, 2017. The attendance of each Director at the Board Meetings and Annual General Meeting was as under:

| Sr. No | Name of the Director | Number of Board Meetings | | | Last AGM |
|---|---|---|---|---|---|
| | | Held | Eligible to attend | Attended | |
| 1. | Mr. Surinder Kumar Bhoan | 1 | 1 | 1 | No |
| 2. | Mr. Keshav D. Hodavdekar | 1 | 1 | 1 | No |
| 3. | Mr. Ashok B. Jiwrajka | 1 | 1 | 1 | No |
| 4. | Mr. Dilip B. Jiwrajka (Managing Director) | 1 | 1 | 1 | No |
| 5. | Mr. Surendra B. Jiwrajka (Joint Managing Director) | 1 | 1 | 0 | Yes |
| 6. | Mr. Senthilkumar M. A. | 1 | 1 | 1 | Yes |
| 7. | Mr. Tulsi Tejwani | 1 | 1 | 1 | Yes |
| 8. | Mr. Suneet Shukla Nominee Director- IFCI Limited | 1 | 1 | 1 | No |
| 9. | Mr. Atanu Sen Nominee Director- State Bank of India | 1 | 1 | 1 | No |
| 10. | Mr. Pradeep Kumar Rath Nominee Director- LIC of India | 1 | 1 | 1 | No |
| 11. | Mr. Rajeev Kumar Nominee Director- IDBI Bank Limited[1] | 1 | 1 | 1 | No |
| 12. | Mrs. Thankom T. Mathew[2] | 1 | 1 | 0 | No |

Note:

1. Nomination of Mr. Rajeev Kumar was withdrawn with effect from 5th August, 2017
2. Mrs. Thankom T. Mathew tendered her resignation with effect from 01st December, 2017.

   There are no transactions with related parties that may have potential conflict of interest with the Company. Transactions with related parties are disclosed in 'Notes forming part of the Accounts' annexed to the financial statements of the period. There have been no materially relevant pecuniary transactions or relationships between the Company and its non-executive and/or independent Directors during the period April 1, 2017 to March 31, 2018.

### 1.3 Independent Directors:

Independent Directors play an important role in the governance process of the Board. They bring to bear their expertise and experience on deliberations of the Board.

The non-Executive Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI LODR Regulations. A formal letter of appointment to Independent Directors as provided in the Companies Act, 2013 has been issued and disclosed on website of the Company viz. www.alokind.com.

None of the Independent Directors serves as "Independent Director" in more than seven listed companies.

As required by SEBI LODR Regulations, the Independent Directors met once during the financial year ended 31st March, 2018 on May 30, 2017 and *inter alia* discussed:

- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the board to effectively and reasonably perform their duties;
- other matters arising out of Board/Committee(s) deliberations.

In the course of the financial year under review, one Independent woman director resigned from the Board with effect from 1st December 2017. Pursuant to commencement of the CIR process of the Company, the powers of the Board stand suspended and are exercised by the interim resolution professional or resolution professional, as the case may be, in accordance with the provisions of the Code. The requirement of appointing women director under the Companies Act, 2013 and the rules framed thereunder is not maintainable on account of suspension of the powers of the Board of the Company. Further, in terms of the SEBI LODR Regulations, a company undergoing CIR process is not required to comply with Regulation 17(1)(a) of the SEBI LODR Regulations dealing with the requirement of appointing a women director on the board of a listed company.

### 1.4 Familiarisation Programme for Directors

At the time of appointing a Director, a formal letter of appointment is issued to the concerned director. Each newly appointed Independent Director is taken through a formal familiarisation program providing information relating to the Company, Business Divisions, industry, business model of the Company, geographies in which Company operates, etc. The programme also provides awareness to the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarisation Programme also provides information relating to the financial performance of the Company and budget and control process of the Company.

The Director is also explained in detail the compliance required from him under the Companies Act, 2013, SEBI LODR Regulations, and other relevant regulations and affirmation taken with respect to the same.

As required under Schedule V of SEBI LODR Regulations, the following web link will provide details of familiarisation programmes imparted to Independent Directors.

http://www.alokind.com/Downloads/Policy%20on%20Familirization%20Programe%20of%20Independent%20Director.pdf)

### 1.5 Code of Conduct

In terms of provisions of SEBI LODR Regulations, the Board of the Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The said Code of Conduct has been posted on the website of the Company. All Board members and senior management personnel have affirmed compliance with the Code of Conduct. The Chief Compliance Officer has confirmed and certified the same (the certification is enclosed at the end of this Report).

### 1.6 Details of equity shares of the Company held by the Non-Executive Directors as on March 31, 2018 are given below:

| Name of the Directors | Category | No. of equity shares held |
|---|---|---|
| Mr. Surinder Kumar Bhoan | Non- Executive, Independent Director | Nil |
| Mr. Keshav D. Hodavdekar | Non- Executive, Independent Director | Nil |
| Mr. Atanu Sen | Non- Executive, Non-Independent Director | Nil |
| Mr. Pradeep Kumar Rath | Non- Executive, Non-Independent Director | Nil |
| Mr. Suneet Shukla | Non- Executive, Non-Independent Director | Nil |

## (2) COMMITTEES OF THE BOARD

The Board have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of Board and functions under their respective Charters. These committees play an important role in the overall Management of day-to-day affairs and governance of the Company.

The Board has currently established the following statutory and non-statutory Committees:

(a) Audit Committee
(b) Stakeholder's Relationship Committee
(c) Nomination and Remuneration Committee
(d) Corporate Social Responsibility Committee.
(e) Executive Committee

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

### (a) AUDIT COMMITTEE

As on the date of this report, the Audit committee of the Company comprises two Non-Executive Independent Directors. The Audit Committee is headed by Mr. Surinder Kumar Bhoan and has Mr. Keshav D. Hodavdekar as its member. The members of the Audit Committee have accounting and financial management expertise.

The Committee is governed by the terms of references which are wide enough covering the matters specified under Regulation 18 read with Part C of Schedule II to the SEBI LODR Regulations, and Section 177 of the Companies Act, 2013.

The meetings of Audit Committees are also attended by the Chief Financial Officer (CFO) and representatives of the statutory auditors and internal auditors as regular invitees. Mr. K.H. Gopal, Company Secretary, is the Secretary to the Committee. The minutes of each Audit committee meeting are placed in the next Board meeting of the Board.

In terms of the SEBI LODR Regulations, a company undergoing CIR process is not required to comply with Regulation 18 of the SEBI LODR Regulations dealing with the requirement of constitution, meetings and terms of reference of the Audit Committee.

The Audit Committee met once during the financial year ended 31$^{st}$ March, 2018 on 30$^{th}$ May, 2017. The attendances of the Directors at this Audit Committee meeting are given below:

| Name of the Directors | Position | Category | No. of Meetings | | |
|---|---|---|---|---|---|
| | | | Held | Eligible to attend | Attended |
| Mr. Surinder Kumar Bhoan | Chairman | Non- Executive, Independent | 01 | 01 | 01 |
| Mr. Rajeev Kumar[1] | Member | Non- Executive, Non-Independent, Nominee | 01 | 01 | 01 |
| Mr. Keshav D. Hodavdekar | Member | Non- Executive, Independent | 01 | 01 | 01 |

Note:

1. The nomination of Mr. Rajeev Kumar was withdrawn with effect from 5$^{th}$ August, 2017.

Pursuant to commencement of the CIR process, the powers of the board of directors stand suspended and are exercised by the interim resolution professional or resolution professional, as the case may be, in accordance with the provisions of the Code. The requirement of minimum number of members in the audit committee in accordance with the Companies Act, 2013 and the rules framed thereunder is not maintainable on account of suspension of the powers of the Board. In terms of the SEBI LODR Regulations, a company undergoing CIR process is not required to comply with Regulation 18(1)(a) of the SEBI LODR Regulations dealing with the minimum number of the members in the audit committee of a listed company.

**(b) NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee comprised Mr. Keshav D. Hodavdekar, Mr. Surinder Kumar Bhoan and Mr. Atanu Sen (who has since resigned with effect from 4th July 2018), all of whom are Non-Executive Directors. Mr. Keshav D. Hodavdekar, an Independent Director, acts as Chairman of the Committee.

Pursuant to commencement of the CIR process, the powers of the board of directors stand suspended and are exercised by the interim resolution professional or resolution professional, as the case may be, in accordance with the provisions of the Code. The requirement of minimum number of members in the nomination and remuneration committee in accordance with the Companies Act, 2013 and the rules framed thereunder is not maintainable on account of suspension of the powers of the Board. In terms of the SEBI LODR Regulations, a company undergoing CIR process is not required to comply with Regulation 19(1)(a) of the SEBI LODR Regulations dealing with the minimum number of the members in the nomination and remuneration committee of a listed company.

Further, in terms of SEBI LODR Regulations, a company undergoing CIR process is not required to comply with Regulation 19 of the SEBI LODR Regulations dealing with the requirements of constitution, meetings and terms of reference of the nomination and remuneration committee.

The terms of references of the Committee are in line with the requirements of the matters specified under Regulation 19 read with Part D of Schedule II to the SEBI LODR Regulations, and the Companies Act, 2013. The Committee is also authorised to administer the Employees Stock Option Plans of the Company.

No meeting was held during the financial year ending 31st March, 2018.

**Remuneration Policy**

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

**(i) For Executive Directors:**

The Board / Nomination and Remuneration Committee of Directors is authorised to decide the remuneration of the Whole time Directors, subject to approval of the Members and Central Government, if required. The remuneration structure comprises salary, perquisites and allowances (fixed component) and / or commission (variable components).

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

**(ii) For Non-Executive Directors:**

Non-Executive Directors are paid sitting fee of Rs. 20,000 for every Board Meeting attended by them which includes Board level committee meetings also. The non-executive independent directors and non-executive non-independent directors do not have any pecuniary relationship or transaction with the Company.

In terms of SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, a company undergoing CIR Process is not required to comply with the requirement of conducting evaluation of the independent directors. Therefore, subsequent to commencement of the CIR process the evaluation of the independent directors of the Company was not required to be carried out under the provisions of the Regulation 17(10) of the SEBI LODR Regulations. Further, in accordance with Rule 8(4) of Companies (Accounts) Rules, 2014, the board of directors of a company are required to evaluate its own performance and that of its committees and individual directors. However pursuant to commencement of the CIR process, the powers of the board of directors stand suspended and are exercised by the interim resolution professional or the resolution professional, as the case may be, in accordance with the provisions of the Code.

The details of remuneration paid to Executive Directors and Non-executive Directors for the financial year ended 31st March, 2018 are provided hereinafter:

**Details of Remuneration of Executive Directors for the financial year ended 31st March, 2018**

| Name of the Director | Salary and Perquisites | Commission | Total |
|---|---|---|---|
| Mr. Ashok B. Jiwrajka | 1,44,75,806.00 | - | 1,44,75,806.00 |
| Mr. Dilip B. Jiwrajka | 1,44,75,806.00 | - | 1,44,75,806.00 |
| Mr. Surendra B. Jiwrajka | 1,44,75,806.00 | - | 1,44,75,806.00 |
| Mr. Senthilkumar M. A. | 77,20,092.00 | - | 77,20,092.00 |
| Mr. Tulsi Tejwani | 68,03,652.00 | - | 68,03,652.00 |

**Details of Remuneration of Non-Executive Directors for the financial year ended 31st March, 2018**

| Name of the Director | Sitting Fees | Commission | Total |
|---|---|---|---|
| Mr. S. K. Bhoan | 20,000.00 | - | 20,000.00 |
| Mr. Keshav D. Hodavdekar | 20,000.00 | - | 20,000.00 |
| Mr. Suneet Shukla | 20,000.00 | - | 20,000.00 |
| Mr. Atanu Sen | 20,000.00 | - | 20,000.00 |
| Mr. Pradeep Kumar Rath | 20,000.00 | - | 20,000.00 |
| Mr. Rajeev Kumar | 20,000.00 | - | 20,000.00 |

Notes:

1. The agreement with each of the Executive Directors is for a period of five years which has expired in March 2018.
2. No severance pay is payable on termination of contract.
3. Presently, the Company does not have a scheme of grant of stock options or performance linked incentives for its Promoter Directors.

**(c) STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholder's Relationship Committee headed by Mr. Surinder Kumar Bhoan, non-executive independent director comprises of three other directors, namely, Mr. Ashok B. Jiwrajka, Mr. Dilip B. Jiwrajka and Mr. Surendra B. Jiwrajka. Mr. K. H. Gopal, Company Secretary is the Secretary to the committee.

The role of Stakeholder's Relationship Committee is as follows:

- consider and resolve the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual reports, non-receipt of dividend, etc.;
- ensure expeditious share transfer process;
- evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company;
- provide guidance and make recommendations to improve investor service levels of the investors.

Pursuant to commencement of the CIR process, the powers of the board of directors stand suspended and are exercised by the interim resolution professional or the resolution professional, as the case may be, in accordance with the provisions of the Code. Therefore, no meeting was held during the financial year ending March 31, 2018. Further, in terms of SEBI LODR Regulations, a company undergoing CIR process is not required to comply with Regulation 20 of the SEBI LODR Regulations dealing with the requirements of constitution, meetings and terms of reference of the stakeholders' relationship committee.

The Company's Registrar Link Intime India Private Limited had processed 9 letters/ requests during the year including one letter/ request received in the previous year, dealing with various subjects such as revalidation/ non receipt of dividend warrants, change of address, registration of nominations, non-receipt of share certificates etc. All these matters were resolved to the satisfaction of the shareholders/ investors.

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

**(d) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Pursuant to Section 135 of the Companies Act, 2013, the Board of the Company had constituted a "Corporate Social Responsibility Committee" on May 28, 2015. The Committee comprises three Directors. Mr. Surinder Kumar Bhoan, Independent Director, who is the Chairman of the Committee. The other members of the CSR Committee include Mr. Tulsi Tejwani and Mr. Senthilkumar M. A., Executive Directors of the Company.

Pursuant to commencement of the CIR process, the powers of the board of directors stand suspended and are exercised by the interim resolution professional or the resolution professional, as the case may be, in accordance with the provisions of the Code. Therefore no meeting was held during the financial year ended 31st March, 2018.

**(e) EXECUTIVE COMMITTEE**

The Board have delegated the authority to supervise and monitor the day-to-day activities of the Company to an Executive Committee. The committee comprises Mr. Ashok B. Jiwrajka, Mr. Dilip B. Jiwrajka and Mr. Surendra B. Jiwrajka. This Committee met eight times during the period from April 1, 2017 to July 17, 2018. The details of business transacted by the Committee are placed before the Board at the next meeting and are ratified by the Board after due discussion.

**(f) INDEPENDENT DIRECTORS' MEETING**

As required by SEBI LODR Regulations, the Independent Directors met once during the financial year ended 31st March, 2018 on 30th May, 2017 and *inter alia* discussed:

- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the board to effectively and reasonably perform their duties; and
- other matters arising out of Board/Committee(s) deliberations.

The Committee comprises two Directors namely Mr. Surinder Kumar Bhoan and Mr. Keshav D. Hodavdekar. Both Independent Directors of the Company were present at the Meeting.

**(3) MATERIAL SUBSIDIARY COMPANIES**

SEBI LODR Regulations defines a "material subsidiary" as a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed Company and its subsidiaries in the immediately preceding accounting year.

Under this definition, the Company does not have a 'material subsidiary'. However as required under SEBI LODR Regulations, the Company has formulated the Material Subsidiary policy which has been displayed on its website, www.alokind.com and the web link is as under:

http://alokind.com/Downloads/Policy%20for%20determining%20material%20subsidiaries.pdf

## (4) WHISTLE-BLOWER POLICY

As required by Regulation 4 (2) of SEBI LODR Regulations, the Company has adopted Whistle Blower Policy, as a part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of management any issue which is perceived to be in violation of or in conflict with Company's code of conduct. The policy is available on the website of the Company.

Adequate safeguards have been provided against victimization of persons who use the vigil mechanism. All directors and employees have been given direct access to the Chairman of the Audit Committee to lodge their grievances. No personnel have been denied access to the Chairman of the Audit Committee until 18 July, 2017 and to the Resolution Professional thereafter.

## (5) CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of the Company has laid down a Code of Conduct for Prohibition of Insider Trading. The Code is applicable to Promoters and Promoter's Group, all Directors and such Designated Employees who are expected to have access to price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulation.

## (6) GENERAL BODY MEETINGS

**6.1 Particulars of last three Annual General Meetings are given below:**

| Financial year | Date | Time | Venue | Special Resolutions passed |
|---|---|---|---|---|
| 01.10.2013 to 31.03.2015<br>(18 months period ended) | June 26, 2015 | 12.00 noon | Survey Nos.17/5/1 & 521/1, Village Rakholi/ Saily, Silvassa -396230, Union Territory of Dadra and Nagar Haveli. | There was no matter that required passing of Special Resolution. |
| 01.04.2015 to 31.03.2016 | September 24, 2016 | 12.00 noon | Alok Public School, Alok City, Silvassa-Khanvel Road, Silvassa -396230, Union Territory of Dadra and Nagar Haveli. | There was no matter that required passing of Special Resolution. |
| 01.04.2016 to 31.03.2017 | September 29, 2017 | 12.00 noon | Alok Public School, Alok City, Silvassa-Khanvel Road, Silvassa-396230, Union Territory of Dadra and Nagar Haveli. | (1) Appointment of Mr. Senthilkumar M.A. as Executive Director & CEO (Processing) for a period of 5 years<br>(2) Appointment of Mr. Tulsi Tejwani as Executive Director & CEO (Weaving) for a period of 5 years) |

### 6.2 Special Resolutions:

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

At the ensuing Annual General Meeting, there are no Special Resolutions for which the SEBI LODR Regulations or the Companies Act, 2013 and rules framed thereunder has recommended / mandated postal ballot.

### 6.3 Postal Ballot:

No Postal Ballot was conducted pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management & Administration) Rules 2014 for obtaining the consent of the Shareholders of the Company for the period April 1, 2017 to March 31, 2018.

## (7) MEANS OF COMMUNICATION

i. The quarterly, half yearly and annual results of the Company's performance are published in 'Business Standard' in English, all Mumbai editions and in 'Western Times', Gandhinagar in Gujarati. These results are also made available on the website of the Company www.alokind.com.

ii. The website also displays vital information relating to the Company and its performance, official press releases and presentation to analyst. The Company also furnishes the quarterly results on receipt of a request from any shareholder.

iii. The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, for dissemination on their respective Website.

## (8) GENERAL SHAREHOLDER INFORMATION

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

The **31st Annual General Meeting** will be held on **Thursday** the 27th day of December, 2018 at 12.00 noon at Alok Public School, Alok City, Silvassa-Khanvel Road, Silvassa – 396230, Union Territory of Dadra and Nagar Haveli.

### 8.2 Financial Calendar

Financial year: April 1, 2017 to March 31, 2018.

For the period ended March 31, 2018, results were announced for:

| | |
|---|---|
| First quarter : Reviewed | August 14, 2017 |
| Second quarter: Reviewed | November 14, 2017 |
| Third quarter: Reviewed | February 14, 2018 |
| Fourth quarter and annual: Audited | August 10, 2018 |

For the period ending March 31, 2019, results were / will be announced by:

| | |
|---|---|
| First quarter : Reviewed | July 28, 2018 |
| Second quarter: Reviewed | November 14, 2018 |
| Third quarter: Reviewed | On or before February 15, 2019 (Tentative) |
| Fourth quarter and annual: Audited | On or before May 30, 2019 (Tentative) |

### 8.3 Book Closure

The books will be closed from 21st December, 2018 to 27th December, 2018 (both days inclusive) as annual closure for the Annual General Meeting.

### 8.4 Dividend Payment Date

No dividend was declared by the Company for the financial year 2017-18.

### 8.5 Electronic Voting

Pursuant to Section 108 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and other applicable requirements, voting at the 31st Annual General Meeting will be made through electronic voting. The electronic voting period will be from 24th December, 2018 (10.00 a.m.) to 26th December, 2018 (5.00 p.m.).

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

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

### 8.6 Listing on Stock Exchanges:

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

a) BSE Limited
**(Stock Code: 521070)**
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001

b) National Stock Exchange of India Limited
**(Stock Code: ALOKTEXT)**
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block, Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051

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

Annual Listing Fees to National Stock Exchange of India Limited and BSE Limited have been paid up to 31st March, 2017.

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

| Sr. No. | Particulars | No. of NCDs | Amount (in Crore) | Stock Code (BSE) | ISIN NO. | Premature redemption (Rs. in Crore) | Balance as on March 31,2018 (Rs. in Crore) |
|---|---|---|---|---|---|---|---|
| 1 | 555 – 11.50% Secured Redeemable NCDs of Rs.10,00,000/- each aggregating to Rs.56 crores issued and allotted on June 29, 2010 on private placement basis. | 250 | 25.00 | ALOK290610C | INE270A07489* | - | 25.00 |
| | | 174 | 17.40 | ALOK290610C | INE270A07489* | - | 17.40 |
| | | 71 | 7.10 | ALOK290610C | INE270A07489* | - | 7.10 |
| | | 50 | 5.00 | ALOK290610C | INE270A07489* | - | 5.00 |
| | | 5 | 0.50 | ALOK290610C | INE270A07489 | - | 0.50 |
| | | 5 | 0.50 | ALOK290610C | INE270A07489* | - | 0.50 |
| 2 | 1000 – 13.00% Secured NCDs of RS.10,00,000/- each aggregating to Rs.100 Crores issued and allotted on October 20, 2010 on private placement basis. | 334 | 33.40 | ALOK201010A | INE270A09014* | - | 33.40 |
| | | 333 | 33.30 | ALOK201010B | INE270A09022* | - | 33.30 |
| | | 333 | 33.30 | ALOK201010C | INE270A09030* | - | 33.30 |
| 3 | 730– 15.50% Secured NCDs of Rs.10,00,000/- each aggregating to Rs.110 crores issued and allotted on March 04, 2011 on private placement basis. | 370 | 37.00 | ALOK4311B | INE270A07539* | - | 37.00 |
| | | 360 | 36.00 | ALOK4311C | INE270A07547* | - | 36.00 |
| 4 | 3000 – 12.00% Secured Redeemable NCDs of Rs.10,00,000/- each aggregating to Rs.300 crores issued and allotted on February 01, 2012 on private placement basis. | 375 | 37.50 | ALOK010212A | INE270A07554* | - | 37.50 |
| | | 375 | 37.50 | ALOK010212B | INE270A07562* | - | 37.50 |
| | | 375 | 37.50 | ALOK040212C | INE270A07570* | - | 37.50 |
| | | 375 | 37.50 | ALOK010212D | INE270A07588* | - | 37.50 |
| | | 375 | 37.50 | ALOK010212E | INE270A07596* | - | 37.50 |
| | | 375 | 37.50 | ALOK010212F | INE270A07604 | - | 37.50 |
| | | 375 | 37.50 | ALOK010212G | INE270A07612 | - | 37.50 |
| | | 375 | 37.50 | ALOK010212H | INE270A07620 | - | 37.50 |
| | **TOTAL** | **5285** | **528.50** | | | **-** | **528.50** |

* Have been suspended.

## 8.7 Market Price Data

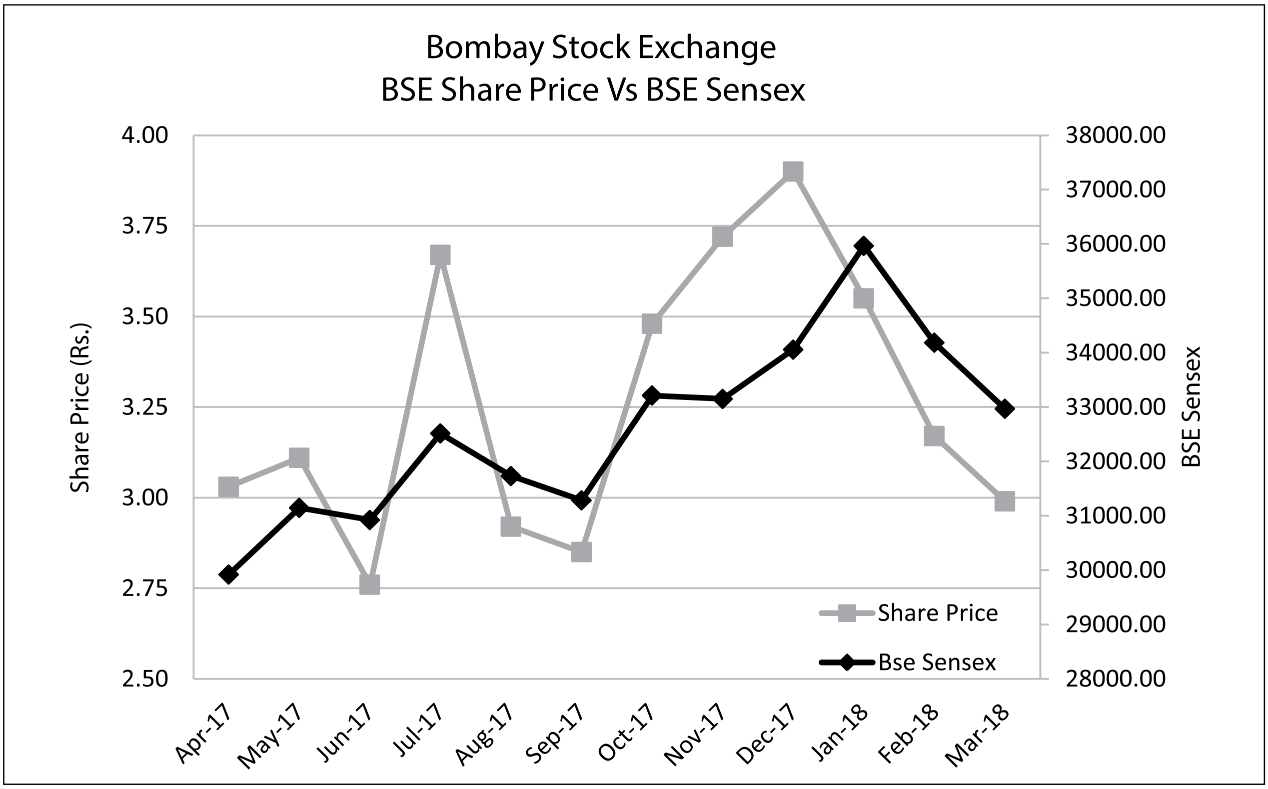
Monthly High and Low and the performance of the Company's share price vis-à-vis BSE Sensex and NSE Nifty is given below.

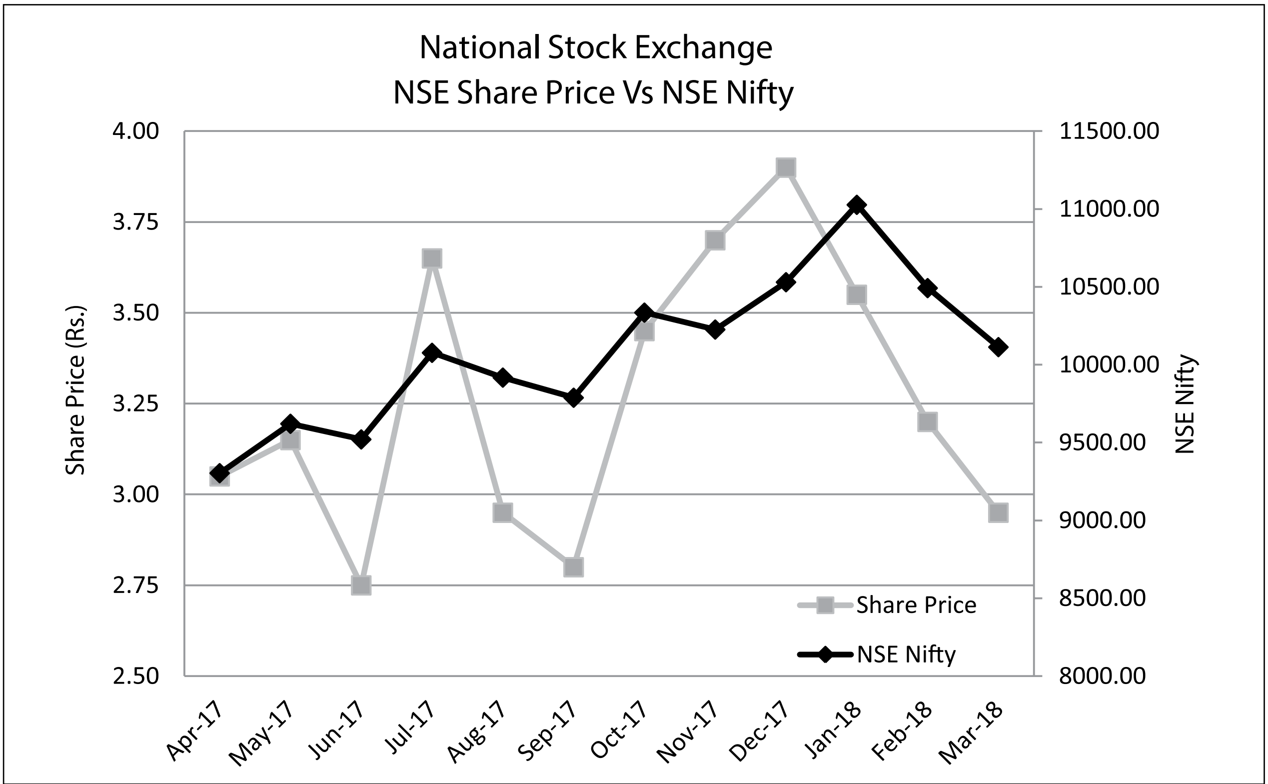
**High, low and volumes of Company's shares for the period April 1, 2017 to March 31,2018 at BSE and NSE**

| Month | BSE (in Rs. per share) | | | Monthly Volume (in No's) | NSE (in Rs. Per share) | | | Monthly Volume (in No's) |
|---|---|---|---|---|---|---|---|---|
| | High | Low | Close | | High | Low | Close | |
| April-17 | 3.38 | 2.82 | 3.03 | 1,94,86,297 | 3.35 | 2.80 | 3.05 | 73,709,942 |
| May-17 | 3.82 | 2.95 | 3.11 | 3,95,64,051 | 3.80 | 2.90 | 3.15 | 132,383,909 |
| June-17 | 3.30 | 2.30 | 2.76 | 3,69,12,607 | 3.30 | 2.30 | 2.75 | 116,107,797 |
| July-17 | 4.40 | 2.59 | 3.67 | 5,53,43,244 | 4.40 | 2.55 | 3.65 | 201,425,111 |
| Aug-17 | 3.73 | 2.76 | 2.92 | 2,63,16,075 | 3.70 | 2.75 | 2.95 | 86,214,065 |
| Sept-17 | 3.00 | 2.68 | 2.85 | 1,83,87,120 | 3.00 | 2.65 | 2.80 | 47,081,612 |
| Oct -17 | 3.60 | 2.81 | 3.48 | 3,55,74,531 | 3.60 | 2.80 | 3.45 | 99,711,823 |
| Nov-17 | 4.86 | 3.50 | 3.72 | 8,56,56,514 | 4.70 | 3.60 | 3.70 | 140,766,206 |
| Dec- 17 | 3.94 | 2.99 | 3.90 | 2,12,36,022 | 3.90 | 2.95 | 3.90 | 43,798,215 |
| Jan-18 | 4.49 | 3.43 | 3.55 | 4,14,59,396 | 4.45 | 3.45 | 3.55 | 109,765,495 |
| Feb-18 | 3.77 | 3.00 | 3.17 | 1,18,00,043 | 3.75 | 3.00 | 3.20 | 54,527,921 |
| March-18 | 3.28 | 2.71 | 2.99 | 2,03,02,664 | 3.25 | 2.70 | 2.95 | 80,565,239 |

Source: BSE & NSE Website.

A Graph showing comparison of Share Prices Vs Sensex is given below:






**8.8 Distribution of Shareholding as on March 31, 2018.**

| Shareholding Class | No of shares held | % of total shares held | No of shareholders | % of total shareholders |
|---|---|---|---|---|
| Upto 500 | 23886774 | 1.73 | 113178 | 53.26 |
| 501 to 1,000 | 30802097 | 2.23 | 34677 | 16.32 |
| 1,001 to 2,000 | 37021994 | 2.69 | 22488 | 10.58 |
| 2,001 to 3,000 | 26669173 | 1.94 | 10025 | 4.72 |
| 3,001 to 4,000 | 19322147 | 1.40 | 5249 | 2.47 |
| 4,001 to 5,000 | 31361430 | 2.28 | 6464 | 3.04 |
| 5,001 to 10,000 | 77900606 | 5.66 | 9866 | 4.64 |
| 10,001 and above | 1130353674 | 82.07 | 10567 | 4.97 |
| **TOTAL** | **1377317895** | **100.00** | **212514** | **100.00** |

**8.9 Shareholding Pattern by ownership as on March 31, 2018.**

| CATEGORY | As on March 31, 2018 | |
|---|---|---|
| | Total No. of Shares | Percentage (%) |
| **A. Promoter's Holding** | | |
| Promoters | | |
| Indian Promoters | 396,905,312 | 28.82 |
| Foreign Promoters | Nil | Nil |
| Persons acting in Concert | Nil | Nil |
| **TOTAL (A)** | **396,905,312** | **28.82** |

| CATEGORY | As on March 31, 2018 | |
|---|---|---|
| | Total No. of Shares | Percentage (%) |
| **B. Non Promoter's Holding** | | |
| 1. Institutional Investors | | |
| a. Mutual Funds and UTI | 200 | 0.00 |
| b. Banks, Financial Institutions, Insurance Companies/Central Governments/ State Governments | 84,261,960 | 6.12 |
| c. FIIs | Nil | Nil |
| **TOTAL (B1)** | **84,262,160** | **6.12** |
| 2. Others | | |
| • Private Corporate Bodies | 123,688,088 | 8.98 |
| • Indian Public | 683,540,911 | 49.63 |
| • NRIs | 23,673,411 | 1.72 |
| • Foreign Portfolio Investors/HUF | 46,742,861 | 3.39 |
| • Clearing Members/Market Maker | 18,444,502 | 1.34 |
| • Trusts | 60,650 | 0.00 |
| **TOTAL (B2)** | **896,150,423** | **65.06** |
| **TOTAL B (BI+B2)** | **980,412,583** | **71.18** |
| **GRAND TOTAL (A+B)** | **1,377,317,895** | **100.00** |

**8.10 Registrar and Share Transfer Agent**

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

LINK INTIME INDIA PRIVATE LIMITED
C 101, 247 Park,
LBS Marg, Vikhroli (West)
Mumbai-400083
Tel No.: 022 49186000
Fax No.: 022 49186060

**8.11 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 thirty days from the date of lodgement subject to documents being valid and complete in all respects.

**8.12 Dematerialisation of Shares and Liquidity**

As on March 31, 2018, over 99.81% shares of the Company were held in dematerialised form.

**8.13 Pledge of Shares**

As on March 31, 2018, 99.997% of the promoters' holding have been pledged with Banks and other lenders as part of loan conditions. This represents a sum total of 39,68,94,485 equity shares (28.81 % of the total equity of the Company).

**8.14 Outstanding GDRs/ADRs/Warrants**

The Company has not issued GDRs/ ADRs/Warrants during the period from April 1, 2017 to March 31, 2018 and there are no outstanding SDRs/ ADRs/ Warrants as on 31st March, 2018.

**8.15 Details of Public Funding Obtained in the last three years**

**April 1, 2015 to March 31, 2016**

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

**April 1, 2016 to March 31, 2017**

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

**April 1, 2017 to March 31, 2018**

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

**8.16 Details of public funding obtained during the last three years and its implication on paid up Equity Share Capital**

| Financial Year | Amount Raised through Public Funding | Effect on Paid up equity Share Capital |
|---|---|---|
| April 1 2015- March 31, 2016 | NIL<br>There have been no public issues, rights issues or other public offerings during the year under review. | Nil |
| April 1 2016- March 31, 2017 | NIL.<br>There have been no public issues, rights issues or other public offerings during the year under review. | Nil |
| April 1 2017- March 31, 2018 | NIL.<br>There have been no public issues, rights issues or other public offerings during the year under review. | Nil |

**(9) DISCLOSURES:**

a) There were no transactions of material nature with its promoters, the Directors or the Management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the Company at large.

The Board has granted omnibus approval for certain related party transactions. The same are reviewed on a quarterly basis by the Audit Committee. Transactions with related parties have also been disclosed in Note No. 42 of the Standalone Ind AS Financial Statements.

Policy on transactions with related parties has been displayed on the Company's website www.alokind.com and the web link is as under:

http://alokind.com/Downloads/Policy%20on%20Related%20Party%20Transactions.pdf

b) There were no instances of non-compliances nor have been any penalties, strictures been imposed by Stock Exchanges or SEBI or any other statutory authority during the last three years on any matter related to the capital markets, except imposition of fines by the National Stock Exchange of India Limited vide email dated December 27, 2016 and letters dated March 26, 2018 and July 15, 2018 in relation to delay in submission of quarterly financial results for the period ending September, 2017 and March, 2018 respectively and by BSE Limited *vide* letter dated September 19, 2018 in relation to delay in submission of quarterly financial results for the period ending March, 2018 and June, 2018, required to be submitted with the Stock Exchanges under Clause 41 of the Listing Agreement / Regulation 33 of the SEBI LODR Regulations.

c) The Company has also complied with and adopted the mandatory requirements of SEBI LODR Regulations except (i) non-compliance with respect to submission of financial results mentioned in paragraph (9)

(b) above, and (ii) non-compliance with respect to the disclosures and filings required to be submitted by the Company, with respect to non-convertible debentures issued by the Company, with the Stock Exchanges under the SEBI LODR Regulations. The Company has *vide* e-mail dated 16 November 2018 to SEBI confirmed the compliance of the relevant provisions under the SEBI LODR Regulations dealing with disclosures and submissions required to be made with respect to non-convertible debentures for the period ending September 30, 2018. Further, the Company has sought for relief from the non-compliance of the certain provisions of the SEBI LODR Regulations for the period prior to commencement of the CIR Process of the Company.

d) In line with the requirements of the Regulation 17 (9) of the SEBI LODR Regulations the Audit Committee and the Board reviewed the Management's perception of the risks facing the Company and measures taken to minimise the same for the applicable period. The same was reviewed by the Resolution Professional thereafter. Details of the commodity price risks and foreign exchange risks faced by the Company have been covered in the Management Discussions and Analysis / Notes to Accounts sections. The company being under the insolvency resolution process, it has no limits available to enter into derivative contracts for mitigation of either of these two risks.

e) As the Company does not have any demat suspense account and/unclaimed suspense account, the disclosure in accordance with clause F(1) of Schedule V of the SEBI LODR Regulations, is not being made in the report.

f) The Management Discussion and Analysis Report forms a part of the Director's Report.

g) No presentations were made to institutional investors and analysts during the year.

h) None of the other Directors have any relationships inter-se, except Mr. Ashok B. Jiwrajka, Mr. Dilip B. Jiwrajka and Mr. Surendra B. Jiwrajka, who are brothers.

i) As required by Regulation 17 (8) of the SEBI LODR Regulations, the Managing Director and the Chief Financial Officer need to submit a Certificate to the Board in the prescribed format for the financial year ended 31st March, 2018. Pursuant to commencement of the CIR process of the Company, the powers of the Board stands suspended and are to be exercised by the interim resolution professional or resolution professional, as the case may be, in accordance with the provisions of the Code. Further, in terms of the SEBI LODR Regulations, a company undergoing CIR process is not required to comply with Regulation 17 of the SEBI LODR Regulations dealing with the requirement of composition of the board of directors. The said Certificate has, however been submitted by the Chief Financial Officer and the same has been reviewed and taken on record by the Resolution Professional.

**B. NON MANDATORY REQUIREMENTS**

**a) Chairman of the Board:**

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

Yes but currently the Board of the Company is suspended and the management of the affairs of the Company is with the Resolution Professional.

**b) Shareholders Rights:**

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

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

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

**c) Audit Qualifications:**

The qualifications by the Auditors have been duly explained in the Directors' Report

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

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

**e) Reporting of Internal Auditor**

The internal Auditors directly reports to the Audit Committee / CFO and to the Resolution Professional in case any matter requires his attention.

**Plant Locations**

| | |
|---|---|
| **Spinning** | ■ 412, Saily, Silvassa, Union Territory of Dadra & Nagar Haveli |
| **Weaving** | ■ Babla Compound, Kalyan Road, Dist. Bhiwandi, Thane<br>■ 17/5/1 and 521/1, Rakholi / Saily, Silvassa, Union Territory of Dadra & Nagar Haveli<br>■ 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 Pawnee, TTC Industrial Area, MIDC, Navi Mumbai, Dist. Thane<br>■ 261/ 268, Village Balitha, Taluka Pardi, Dist. Valsad, Gujarat<br>■ 254, Village Balitha, Taluka Pardi, Dist. Valsad, Gujarat |
| **Garments** | ■ 374/2/2, Saily, Silvassa, Union Territory of Dadra & Nagar Haveli<br>■ 17/5/1, Rakholi, Silvassa, Union Territory of Dadra & Nagar Haveli<br>■ 273/1/1, Hingraj Industrial Estate, Atiawad, Daman |
| **Made ups** | ■ 374/2/2, Saily, Silvassa, Union Territory of Dadra & Nagar Haveli<br>■ 149/150, Village Morai, Taluka Pardi, Dist. Valsad, Gujarat |
| **POY / Texturizing** | ■ 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 |
| **Packing Unit** | ■ 87/1/1/1 and 96/1, Village Falandi, Silvassa, Union Territory of Dadra & Nagar Haveli |
| **Embroidery** | ■ Survey No.248/249, Village Vasona, Silvassa, Union Territory of Dadra & Nagar Haveli;<br>■ A-317,TTC Industrial Area, Mahape, Navi Mumbai, District Thane |

**Investor Correspondence Address**

| For shares held in physical form | For shares held in dematerialised form | |
|---|---|---|
| **Link Intime India Private Limited**<br>C 101, 247 Park,<br>LBS Marg, Vikhroli (West)<br>Mumbai-400083<br>Tel No.: 022 49186000<br>Fax No.: 022 49186060<br>Email Id: rnt.helpdesk@<br>linkintime.co.in<br>mumbai@linkintime.co.in | **National Securities Depository Limited**<br>Trade World, 4th Floor<br>Kamala Mills Compound<br>Senapati Bapat Marg<br>Lower Parel, Mumbai 400013<br>Tel.: +91-22-2499 4200<br>Fax: +91-22-2497 2993<br>E-mail: info@nsdl.co.in<br>Website: www.nsdl.co.in | **Central Depository Services (India) Limited**<br>Phiroze Jeejeebhoy Towers<br>17th Floor, Dalal Street<br>Mumbai 400 023<br>Tel.: +91-22-2272 3333<br>Fax: +91-22-2272 3199<br>E-mail: investor@cdslindia.com<br>Website: www.cdslindia.com |

**COMPLIANCE OFFICER FOR INVESTOR REDRESSAL**

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

**K.H. GOPAL**

**Company Secretary**

# AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To

The Members of **ALOK INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by Alok Industries Limited ("the Company''), for the year ended on 31st March, 2018, as stipulated as per the relevant provisions of Securities and Exchange Board of India ("Listing Obligations and Disclosure Requirements") Regulations, 2015.

**Management's Responsibility**

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**Auditors' Responsibility**

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Regulations.

**Other Matter**

Pursuant to an application made by State Bank of India, the Hon'ble National Company Law Tribunal, Ahmedabad bench, vide its order dated 18 July, 2017, had ordered the commencement of the corporate insolvency resolution ("CIR") process in respect of the company under the provisions of the Insolvency and Bankruptcy Code, 2016. Thereafter, in accordance with Section 17 of the Code, the powers of the Board stood suspended and Mr. Ajay Joshi was appointed as interim resolution professional of the Company who was later confirmed as Resolution Professional of the Company on 16 August, 2017 for the management of the affairs of the Company.

Further, in terms of SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, a company undergoing CIR process is not required to comply with relevant Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dealing with the requirements of, amongst others, composition of board of directors including that of independent director, constitution, meetings and terms of reference of the audit committee, constitution, meetings and terms of reference of the nomination and remuneration committee, constitution, meetings and terms of reference of the stakeholders' relationship committee.

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

**D. V. Ballal**
Partner
M. No. 13107
Place: Mumbai
Date: 28th November, 2018

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

**Devdas Bhat**
Partner
M. No. 48094
Place: Mumbai
Date: 28th November, 2018

# CERTIFICATION BY CHIEF FINANCIAL OFFICER

As stipulated under Regulation 17(8) and Part B of Schedule II of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, I, hereby certify that :

a) I have reviewed financial statements and the cash flow statement for the year ended 31st March, 2018 and that to the best of my 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 my knowledge and belief, no transactions entered into by the company during the year ended 31st March, 2018 which are fraudulent, illegal or violative of the company's code of conduct.

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

d) I have indicated to the Auditors and the Audit committee -

   (i) significant changes in internal control over financial reporting during the year;

   (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   (iii) instances of significant fraud of which I 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) I affirm that I have not denied any personnel access to the Audit Committee of the Company (in respect of matter involving alleged misconduct).

Sunil O. Khandelwal
Chief Financial Officer

Mumbai, 10th August, 2018

# DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and senior management.

I confirm that the Company has in respect of the financial year ended 31st March 2018 received from the Members of the Board and senior management team a declaration of compliance with the Code of Conduct as applicable to them.

**K. H. Gopal**
Company Secretary

Mumbai, 10th August, 2018

# INDEPENDENT AUDITORS' REPORT

**To The Members of Alok Industries Limited**

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of Alok Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors / Resolution Professional (RP) is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 standalone Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

**Basis for Qualified Opinion:**

***1.*** *As per Indian Accounting Standard 36 on Impairments of Assets, the Company is required to determine impairment in respect of fixed assets as per the methodology prescribed under the said Standard. However the Management of the Company has not done impairment testing for the reasons explained in note no. 54. In the absence of any* *working for impairment of the fixed assets as per Ind AS 36, the impact of impairment, if any on the standalone Ind AS financial statements is not ascertainable.*

2. *As mentioned in note no. 38 of the standalone Ind AS financial statements, the Company continued to recognise deferred tax assets upto March 31, 2017, Rs. 1423.11 crore. Considering the pending NCLT approval for resolution plan and absence of probable certainty and convincing evidence for taxable income in future, as required by the Ind AS – 12, we are unable to ascertain the extent to which these deferred tax assets can be utilized.*

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its loss, total comprehensive loss, the changes in equity and its cash flow for the year ended on that date.

**Material Uncertainty Related to Going Concern**

As mentioned in note no. 34 of the standalone Ind AS financial statements, the Company incurred a total comprehensive loss of Rs. 18,206.82 crores during the year ended March 31, 2018 and, as of that date, the Company's current liabilities exceeded its total assets by Rs. 15,200.53 crores. As stated in note no. 32 of the standalone Ind AS financial statements, these events or conditions, along with other matters as set forth in note no. 33 of the standalone Ind AS financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Emphasis of Matter**

On the basis of the facts mentioned in note no. 35 of the standalone Ind AS financial statements, we are unable to comment on the possible impact on standalone Ind AS financial statements, related disclosures and our reporting thereon, if any, regarding the said transactions until the final conclusion of the matter. Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act and except for the effects, if any, of the matters described in the basis for qualified opinion paragraph, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:

1. Except for the matters described in the basis for qualified opinion paragraph, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

2. Except for the effects, if any, of the matters described in the basis for qualified opinion paragraph, 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.

3. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.

4. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, except for the effects, if any, of the matters described in the basis for qualified opinion paragraph.

5. The matter described under the Emphasis of Matter paragraph, basis for qualified opinion paragraph and Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on functioning of the Company and on the amounts disclosed in standalone Ind AS financial statements of the Company;

6. On the basis of the written representations received from the directors as on March 31, 2018 and taken on

record by the Resolution Professional , none of the directors are disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164(2) of the Act. Further as explained in the note no.53 of Ind AS financial statements none of the directors retiring by rotation at the ensuing Annual General Meeting of the Company render themselves ineligible for reappointment in terms of Section 164(2) of the Act. ;

7. With respect to the adequacy of the Internal Financial Controls with reference to Financial Statements of the Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph in "Annexure B", The Company has, in all material respects, an adequate internal financial controls system; and

8. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements (Refer note no. 36 to the standalone Ind AS Financial Statements);

   ii. The Company did not have any long-term contracts (except for those disclosed under contingent liability) including derivative contracts as at 31st March, 2018 for which there were any material foreseeable losses; and

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund.

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

**D. V. Ballal**
Partner
M. No. 13107
Place : Mumbai
Date : August 10, 2018

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

**Devdas V. Bhat**
Partner
M. No. 048094
Place : Mumbai
Date : August 10, 2018

# ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

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

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) According to the information and explanations given to us, physical verification of major portion of fixed assets was conducted by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its business and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of mortgage deeds provided to us, we report that, the title deeds of all immovable properties of land and buildings which are freehold are held in the name of the Company as at balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the standalone Ind AS financial statements, the lease agreements are in the name of the Company.

ii. The inventory, except goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.

iii. According to the information and explanations given to us, the Company has granted unsecured loans to the companies covered under Section 189 of the Act.

(a) As per information and explanation given to us, the terms and conditions on which loan have been granted to wholly owned subsidiaries covered under Section 189 of the Act is not, prima facie, prejudicial to the interest of the Company.

(b) As per the information and explanation given to us, the loans given by the Company do not carry any interest. The loans given were repayable on demand and as informed by the Management no amount was demanded during the year.

(c) There are no overdue amounts of more than 90 days in respect of loan granted to the parties listed in the register maintained under Section 189 of the Act.

iv. In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and securities except for the following non-compliances:

(a) The company has not taken prior approval from public financial institutions before giving loans to the subsidiaries during the year, as required under sub-section 5 of Section 186.

(b) The company has not charged any interest on the loan given to the subsidiaries during the year ended March 31, 2018, sub-section 7 of Section 186.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, the provision of Clause 3(v) of the Order is not applicable to the Company. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

vi. According to the information and explanations given to us, the Company has maintained books of accounts and other records pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act relating to manufacture of Woven greige fabric, woven processed fabric, spinning and polyester. We have broadly reviewed the cost records maintained by the Company and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there have been few delays during the year in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of customs, duty of excise and Value Added tax and other statutory dues with the appropriate authorities.

(b) According to the information and explanations given to us the undisputed amounts payable in respect of Income-tax, and other statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable are as under:

| Name of the Statute | Nature of Dues | Amount Involved (Rs. in Crores) | Period to which the amount Relates | Due Date |
|---|---|---|---|---|
| Income Tax Act, 1961 | Corporate Dividend Tax and interest | *2.56* | A.Y. 2014-15 | January 10, 2014 |
| | Withholding tax | 0.51 | *F.Y. 2015-16* | Various dates upto March 31, 2016 |

(c) According to the records of the Company, there are no dues in respect of Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise and Value Added Tax that have not been deposited as on March 31, 2018 on account of disputes, other than as follow:

| Name of the Statute | Nature of Dues | Amount Involved (Rs. in Crores) | Period to which the amount Relates | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax Act, 1961 | Tax and Interest | 1.40 | A.Y. 2011-12 | Commissioner of Income Tax (Appeals) |
| Income Tax Act, 1961 | Tax and Interest | 6.91 | A.Y. 2010-11 | Commissioner of Income Tax (Appeals) |
| Income Tax Act, 1961 | Tax and Interest | 114.54 | A.Y. 2013-14 | Income Tax Appellate Tribunal |
| Income Tax Act, 1961 | Tax demands | 0.02 | A.Y 2009-10 | Deputy Commissioner of Income Tax |
| Income Tax Act, 1961 | Tax demands | 16.96* | A.Y. 2012-13 | Income Tax Appellate Tribunal |
| Income Tax Act, 1961 | Withholding tax | 0.83 | A.Y. 2015-16 | Deputy Commissioner of Income Tax (TDS) |
| Works Contract Tax Act, 1986 | Works Contract Tax | 0.59 | F.Y. 2004-05 | Deputy Commissioner of Sales Tax |
| Central Sales Tax Act, 1956 | Central Sales Tax | 0.58 | F.Y. 2013.14 | Joint Commissioner of Sales Tax |
| Central Sales Tax Act, 1956 | Central Sales Tax | 0.26 | F.Y. 2008-09 | The Company is in the process of filing appeal before Sales Tax Tribunal |

* The ITAT vide Order dated 21.05.2018 has allowed the appeal in part and accordingly the company in this regard has furnished a letter to the Assessing Officer giving effect of the said ITAT order resulting in refund of Rs.33.68 crores.

vii. In our opinion and according to the information and explanations given to us, the Company has defaulted in the repayment of dues to banks, financial institutions and debenture holders. The Company has not taken loan or borrowings from Government. The details of default are as under :

(a) Continuous defaults in repayment of Principal and interest thereon at the end of the year to Banks are as under:

| Name of the Lender | P / I | Period of Delay | | | | | Total Amount |
|---|---|---|---|---|---|---|---|
| | | Upto 30 days | 31 to 90 days | 91 to 180 days | 181 to 1 year | More than 1 year | (Rs. in Crores) |
| | | (Rs.) | (Rs.) | (Rs.) | (Rs.) | (Rs.) | (Rs.) |
| Afrasia Bank | P | 0.14 | 0 | 0 | 0 | 43.63 | 43.77 |
| | I | 2.61 | 0.51 | 0 | 1.73 | 1.79 | 6.64 |
| Allahabad Bank | P | 2.08 | 4.16 | 4.16 | 6.25 | 24.97 | 25.14 |
| | I | 10.84 | 2.83 | 0 | 8.4 | 9.38 | 31.45 |
| Andhra Bank | P | 17.33 | 12.20 | 23.93 | 61.76 | 118.35 | 233.59 |
| | I | 0.12 | 0 | 0 | 0 | 0 | 0.12 |
| Axis Bank Ltd. | P | 20.74 | 19.08 | 9.58 | 55.02 | 575.32 | 679.76 |
| | I | 66.07 | 33.15 | 0 | 93.61 | 33.10 | 225.93 |
| Bank of Bahrain and Kuwait | P | 0.05 | 0 | 0 | 2.92 | 0.89 | 3.86 |
| | I | 1.01 | 1.05 | 0 | 0.98 | 0.12 | 3.17 |
| Bank of Baroda | P | 0.15 | 15.29 | 15.29 | 31.22 | 51.31 | 113.26 |
| | I | 88.08 | 21.73 | 0 | 64.62 | 120.02 | 294.45 |
| Bank of India | P | 15.12 | 15.25 | 0.25 | 47.48 | 96.18 | 174.29 |
| | I | 64.82 | 19.52 | 0 | 57.93 | 77.40 | 219.67 |
| Bank of Maharashtra | P | 4.46 | 2.44 | 3.00 | 11.40 | 11.93 | 33.23 |
| | I | 32.05 | 10.10 | 0 | 19.21 | 29.20 | 90.56 |
| Barclays Bank | P | 4.81 | 7.59 | 4.50 | 16.21 | 20.23 | 53.34 |
| | I | 0.21 | 0.42 | 0 | 1.42 | 0 | 2.06 |
| Canara Bank | P | 16.86 | 45.83 | 37.82 | 124.30 | 330.55 | 555.40 |
| | I | 5.54 | 7.72 | 0 | 9.83 | 7.79 | 30.88 |
| Central Bank Of India | P | 0 | 39.30 | 0 | 41.32 | 37.60 | 118.22 |
| | I | 51.73 | 34.19 | 0 | 100.02 | 75.7 | 261.64 |
| Corporation Bank | P | 7.33 | 17.42 | 0.16 | 19.09 | 36.61 | 80.64 |
| | I | 34.59 | 12.41 | 0 | 36.25 | 56.25 | 139.5 |
| DBS Bank | P | 0 | 0 | 0 | 0.81 | 25.97 | 26.78 |
| | I | 9.52 | 1.46 | 0 | 3.83 | 6.56 | 21.37 |
| Dena Bank | P | 10.10 | 21.94 | 16.54 | 54.64 | 102.10 | 205.32 |
| | I | 60.74 | 20.34 | 0 | 57.52 | 94.81 | 233.41 |
| Dombivli Nagari Sahakari Bank Ltd. | P | 0.57 | 1.27 | 1.71 | 3.81 | 8.41 | 15.80 |
| | I | 0.13 | 0.07 | 0 | 0 | 0 | 0.20 |
| IDBI Bank Ltd. | P | 12.09 | 50.84 | 23.64 | 95.27 | 131.29 | 313.15 |
| | I | 0.12 | 0 | 0 | 4.73 | 4.21 | 9.06 |

| Name of the Lender | P / I | Period of Delay | | | | | Total Amount |
|---|---|---|---|---|---|---|---|
| | | Upto 30 days | 31 to 90 days | 91 to 180 days | 181 to 1 year | More than 1 year | (Rs. in Crores) |
| | | (Rs.) | (Rs.) | (Rs.) | (Rs.) | (Rs.) | (Rs.) |
| Indian Bank | P | 0 | 0 | 0 | 12.24 | 14.39 | 26.63 |
| | I | 30.66 | 10.65 | 0 | 30.65 | 34.47 | 106.43 |
| Indian Overseas Bank | P | 2.87 | 26.05 | 7.93 | 17.46 | 40.78 | 95.09 |
| | I | 2.10 | 0 | 0 | 0 | 14.91 | 17.01 |
| Kotak Mahindra Bank Ltd. (ING Vysya Bank) | P | 0.04 | 0.08 | 0.08 | 0.29 | 2.15 | 2.65 |
| | I | 2.43 | 0.80 | | 2.38 | 2.11 | 7.72 |
| New India Co-op Bank Ltd. | P | 0 | 0 | 1.39 | 22.04 | 0.12 | 23.55 |
| | I | 1.52 | 0.80 | 0 | 0.53 | 0 | 2.85 |
| Landesbank Baden Wurttemberg | P | 16.09 | 5.73 | 14.04 | 13.76 | 87.38 | 137 |
| | I | 1.80 | 0.30 | 0 | 1.62 | 2.32 | 6.04 |
| Noor Bank | P | 0.63 | 0 | 0 | 36.71 | 0 | 37.06 |
| | I | 0.81 | 0.73 | 0 | 0.50 | 0 | 2.04 |
| Norddeutsche Land esbank Girozentral | P | 11.46 | 2.14 | 0 | 7.30 | 36.87 | 57.77 |
| | I | 1.36 | 0.23 | 0 | 0.50 | 0 | 2.10 |
| Oriental Bank of Commerce | P | 11.49 | 20.11 | 24.83 | 63.08 | 136.24 | 255.75 |
| | I | 2.52 | 0 | 0 | 0 | 0.01 | 0.05 |
| Punjab National Bank | P | 1.37 | 14.41 | 0 | 3.43 | 16.09 | 35.30 |
| | I | 0 | 1.56 | 0 | 83.91 | 111.27 | 196.74 |
| Saraswat Co-Operative Bank Ltd. | P | 0 | 0 | 0 | 0 | 31.02 | 31.02 |
| | I | 4.19 | 1.06 | 0 | 3.14 | 3.27 | 11.67 |
| SBM Bank (Mauritius) Ltd. | P | 0.15 | 0 | 0 | 0 | 48.67 | 48.82 |
| | I | 19.43 | .98 | 0 | 3.32 | 4.17 | 27.9 |
| State Bank of Bikaner & Jaipur | P | 0.10 | 5.46 | 0.21 | 22.17 | 7.62 | 35.57 |
| | I | 79.24 | 21.90 | 0 | 64.10 | 56.41 | 221.65 |
| State Bank Of Hyderabad | P | 0.16 | 6.59 | 0.31 | 15.94 | 8.45 | 31.45 |
| | I | 101.53 | 28.99 | 0 | 86.30 | 104.90 | 321.72 |
| State Bank of India | P | 79.34 | 13.83 | 99.08 | 50 | 119.44 | 361.71 |
| | I | 639.65 | 159.29 | 0 | 471.23 | 602.71 | 1872.88 |
| State Bank of Mysore | P | 12.58 | 13.23 | 0.16 | 21.56 | 5.40 | 52.93 |
| | I | 76.82 | 21.16 | 0 | 62.07 | 63.79 | 223.84 |
| State Bank of Patiala | P | 0 | 8.97 | 0 | 39.78 | 17.71 | 66.46 |
| | I | 151.49 | 26.71 | 0 | 75.18 | 75.43 | 328.81 |
| State Bank of Travancore | P | 4.53 | 1.42 | 0 | 15.71 | 0 | 21.67 |
| | I | 102.39 | 21.45 | 0 | 51.48 | 46.23 | 221.55 |
| Syndicate Bank | P | 22.36 | 13.49 | 23.42 | 75.35 | 184.16 | 318.80 |
| | I | 1.03 | 0 | 0 | 2.61 | 0 | 3.64 |
| The Federal Bank Ltd. | P | 1.09 | 2.62 | 1.53 | 6.18 | 25.95 | 37.38 |
| | I | 0 | 1.45 | 0 | 2.34 | 1.93 | 5.73 |

| Name of the Lender | P / I | Period of Delay | | | | | Total Amount |
|---|---|---|---|---|---|---|---|
| | | Upto 30 days | 31 to 90 days | 91 to 180 days | 181 to 1 year | More than 1 year | (Rs. in Crores) |
| | | (Rs.) | (Rs.) | (Rs.) | (Rs.) | (Rs.) | (Rs.) |
| The Jammu & Kashmir Bank Ltd. | P | 12.56 | 14.58 | 19.31 | 56.55 | 206.76 | 309.78 |
| | I | 4.01 | 0 | 0 | 0 | 2.18 | 6.19 |
| The Karur Vysya Bank Ltd. | P | 0.04 | 7.49 | 0.08 | 0.29 | 7.90 | 15.82 |
| | I | 6.49 | 4.67 | 0 | 13.51 | 13.73 | 38.4 |
| UCO BANK | P | 0 | 0 | 0 | 173.16 | 0 | 173.16 |
| | I | 19.72 | 6.12 | 0 | 17.82 | 15.34 | 59 |
| Union Bank of India | P | 0.57 | 22.05 | 6.24 | 11.35 | 47.23 | 87.46 |
| | I | 47.44 | 16.75 | 0 | 47.87 | 115.84 | 180.02 |
| United Bank of India | P | 36.67 | 39.08 | 7.07 | 103.45 | 29.88 | 216.17 |
| | I | 53.65 | 21.79 | 0 | 64.54 | 55.76 | 195.74 |
| Vijaya Bank | P | 0.12 | 0.06 | 0.18 | 0.39 | 4.10 | 4.86 |
| | I | 4.52 | 0 | 0 | 4.62 | 0 | 9.14 |
| VTB Capital Ltd. | P | 1.58 | (0.55) | 0 | 5.89 | 383.14 | 390.06 |
| | I | 16.97 | 7.12 | 0 | 14.40 | 0 | 38.49 |

Notes :
P : Principal
I : Interest

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

| Name of the Lender | P / I | Period of Delay | | | | | Total Amount |
|---|---|---|---|---|---|---|---|
| | | Upto 30 days | 31 to 90 days | 91 to 180 days | 181 to 1 year | More than 1 year | (Rs. in Crores) |
| | | (Rs.) | (Rs.) | (Rs.) | (Rs.) | (Rs.) | (Rs.) |
| Export Import Bank of India | P | 7.06 | 18.92 | 13.31 | 27.22 | 396.37 | 462.90 |
| | I | 34.57 | 0 | 0 | 19.53 | 2.29 | 56.39 |
| ECL Finance Limited | P | 0.02 | 0 | 0 | 0 | 0 | 0.02 |
| | I | 0 | 0 | 0 | 0 | 0 | 0 |
| FMO | P | 0.81 | (0.43) | 0 | 0.45 | 169.32 | 169.24 |
| | I | 3.44 | 1.26 | 0 | 1.33 | 0 | 6.03 |
| IFCI Limited | P | 25.15 | 0.31 | 25.31 | 105.72 | 233.26 | 389.76 |
| | I | 33.41 | 14.55 | 0 | 17.09 | 54.91 | 119.98 |
| Life Insurance Corporation of India | P | 0 | 2.42 | 0 | 14.60 | 68.87 | 85.89 |
| | I | 50.43 | 8.21 | 0 | 16.33 | 49.41 | 124.39 |
| SICOM Ltd. | P | 0 | 0 | 0 | 1.09 | 74.72 | 75.82 |
| | I | (0.94) | 2.86 | 0 | 5.68 | 2.86 | 10.45 |

(c) Continuous defaults in repayment of Principal and interest thereon at the end of the year to Debenture Holders are as under:

| Name of the Lender | P / I | Period of Delay | | | | | Total Amount |
|---|---|---|---|---|---|---|---|
| | | Upto 30 days | 31 to 90 days | 91 to 180 days | 181 to 1 year | More than 1 year | (Rs. in Crores) |
| | | (Rs.) | (Rs.) | (Rs.) | (Rs.) | (Rs.) | (Rs.) |
| Axis Bank Ltd. | P | 0 | 0 | 0 | 3.16 | 55.50 | 58.66 |
| | I | 4.07 | 1.61 | 0 | 1.61 | 0.70 | 7.29 |
| IFCI Limited | P | 0 | 0 | 0 | 8.69 | 84.62 | 93.31 |
| | I | 6.71 | 2.85 | 0 | 2.85 | 15.51 | 27.92 |
| Centre For Development of Telematics | P | 0 | 0 | 0 | 0 | 0.01 | 0.01 |
| | I | 0 | 0 | 0 | 0 | 0.02 | 0.02 |
| CSEB | P | 0 | 0 | 0 | 0 | 0.76 | 0.76 |
| | I | 0 | 0 | 0 | 0 | 1.71 | 1.71 |
| LIC of India | P | 0 | 37.50 | 0 | 55.35 | 104.58 | 197.44 |
| | I | 43.41 | 9.07 | 0 | 9.07 | 60.79 | 122.42 |
| The Jammu & Kashmir Bank Ltd. | P | 0 | 0 | 33.30 | 10.85 | 53.26 | 97.44 |
| | I | 0 | 0 | 3.27 | 3.27 | 5.31 | 11.85 |

ix. According to the information and explanations given to us and based on records examined by us we are of the opinion that the moneys raised by way of term loans by the Company during the year were applied for the purpose for which it was raised. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit. However, as per the facts mentioned in note no. 35 of the standalone Ind AS financial statements, we are unable to comment on the possible impact on standalone Ind AS financial statements, related disclosures and our reporting thereon, if any, regarding the said transactions until the final conclusion of the matter.

xi. According to the information and explanations given to us and based on our examination of the records, we report that the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Transactions with related party post July 18, 2017 were approved by RP. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, 'Related Party Disclosures' specified under Section 133 of the Act.

xiv. According to the information and explanations give to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him as prescribed under section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

**D. V. Ballal**
Partner
M. No. 13107
Place : Mumbai
Date : August 10, 2018

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

**Devdas V. Bhat**
Partner
M. No. 048094
Place : Mumbai
Date : August 10, 2018

# ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF ALOK INDUSTRIES LIMITED

**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF ALOK INDUSTRIES LIMITED**

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

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

We have audited the internal financial controls over financial reporting of Alok Industries Limited ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

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

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

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

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

**Basis for Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2018:

1. On the basis of the facts mentioned in note no. 35 of the standalone Ind AS financial statements, we are unable to comment on the possible impact on standalone Ind AS financial statements, related disclosures and our reporting thereon, if any, regarding the said transactions until the final conclusion of the matter.
2. The Company's internal financial controls over obtaining certain bank balance confirmations were not operating effectively, which could potentially result in affecting the expenses such as interest, bank charges etc and bank balances in the books of the Company.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 Standalone Ind AS financial statements of the Company, and these material weaknesses do not affect our opinion on the Standalone Ind AS financial statements of the Company.

.

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

**D. V. Ballal**
Partner
M. No. 13107
Place : Mumbai
Date : August 10, 2018

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

**Devdas V. Bhat**
Partner
M. No. 048094
Place : Mumbai
Date : August 10, 2018

## BALANCE SHEET AS AT 31 MARCH 2018

(Rs. in Crore)

| Particulars | Note No. | As At 31 March 2018 | As At 31 March 2017 |
|---|---|---|---|
| **ASSETS** | | | |
| **(1) Non-current assets** | | | |
| (a) Property, Plant and Equipment | 2 | 15,125.29 | 15,633.23 |
| (b) Investment Property | 3 | 8.07 | 24.96 |
| (c) Other Intangible assets | 4 | 1.03 | 3.56 |
| (d) Financial Assets | | | |
| (i) Investments | 5 | 92.43 | 110.37 |
| (ii) Loans | 6 | 942.32 | 1,002.11 |
| (iii) Other financial assets | 12 | 149.91 | 260.06 |
| (e) Deferred tax assets (net) | 7(b) | 1,423.11 | 1,423.11 |
| (f) Current tax assets (net) | 14 | 36.08 | 7.80 |
| (g) Other non-current assets | 8 | 38.38 | 39.75 |
| | | **17,816.62** | **18,504.94** |
| **(2) Current Assets** | | | |
| (a) Inventories | 9 | 358.77 | 3,210.60 |
| (b) Financial assets | | | |
| (i) Trade receivables | 10 | 207.36 | 9,940.46 |
| (ii) Cash and cash equivalents | 11 | 31.49 | 72.61 |
| (iii) Bank balances other than (ii) above | 12 | 12.17 | 7.53 |
| (iv) Loans | 6 | - | 487.61 |
| (v) Other financial assets | 13 | 2.64 | 7.95 |
| (c) Other current assets | 8 | 148.94 | 130.47 |
| | | **761.38** | **13,857.23** |
| **TOTAL ASSETS** | | **18,578.00** | **32,362.18** |
| **EQUITY AND LIABILITIES** | | | |
| Equity | | | |
| (a) Equity Share capital | 15 | 1,368.64 | 1,357.87 |
| (b) Other equity | 16 | (16,569.17) | 1,637.87 |
| | | **(15,200.53)** | **2,995.74** |
| **Liabilities** | | | |
| **(1) Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 17 | 7,123.22 | 8,956.14 |
| (b) Provisions | 18 | 35.68 | 36.97 |
| (c) Current tax Liabilities (net) | 23 | 121.53 | 77.63 |
| | | **7,280.43** | **9,070.74** |
| **(2) Current Liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 19 | 17,145.70 | 13,390.32 |
| (ii) Trade payables | 20 | | |
| - Dues to micro and small enterprises | | 11.91 | 12.55 |
| - Dues to Others | | 774.34 | 1,032.60 |
| (iii) Other financial liabilities | 21 | 8,214.89 | 5,388.77 |
| (b) Other current liabilities | 22 | 345.69 | 463.47 |
| (c) Provisions | 18 | 5.58 | 7.98 |
| | | **26,498.10** | **20,295.70** |
| **TOTAL EQUITY AND LIABILITIES** | | **18,578.00** | **32,362.18** |
| Significant accounting policies | 1 | | |
| **The accompanying notes are an integral part of the financial statements** | 2-58 | | |

As per our report of even date attached

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

**D. V. Ballal**
Partner
M. No.: 013107

Place: Mumbai
Date: 10 August 2018

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

**Devdas Bhat**
Partner
M. No.: 048094

For and on behalf of the Board

**Sunil O. Khandelwal**
(Chief Financial Officer)

**K. H. Gopal**
(Company Secretary)

Taken on record
**Ajay Joshi**
(Resolution Professional)

Place: Mumbai
Date: 10 August 2018

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

(Rs. in Crore)

| Particulars | | Note No. | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|---|---|---|---|
| **I.** | **Revenue from Operations** | 24 | 5,381.95 | 8,326.07 |
| **II.** | **Other Income** | 25 | 236.31 | 165.69 |
| **III.** | **Total Income (I+II)** | | **5,618.26** | **8,491.76** |
| | | | | |
| **IV.** | **EXPENSES :** | | | |
| | Cost of Materials consumed | 26 | 5,187.42 | 7,458.70 |
| | Changes in Inventories of finished goods, Stock-in-Trade and work-in-process | 27 | (26.22) | 93.55 |
| | Excise Duty on sale of goods | 41 | 48.33 | 196.38 |
| | Employee Benefits Expense | 28 | 275.68 | 283.31 |
| | Finance costs | 29 | 4,682.87 | 3,273.52 |
| | Depreciation and Amortisation expense | 30 | 527.80 | 512.63 |
| | Other Expenses | 31 | 13,126.80 | 2,299.65 |
| | **Total Expenses (IV)** | | **23,822.69** | **14,117.73** |
| | | | | |
| **V** | **PROFIT / (LOSS) BEFORE TAX (III-IV)** | | **(18,204.43)** | **(5,625.98)** |
| **VI** | **Tax Expense** | | | |
| | (1) Current Tax | 7(a) | 15.85 | (29.18) |
| | (2) Deferred Tax | | (4.66) | (2,094.38) |
| | **Total Tax Expense** | | **11.19** | **(2,123.56)** |
| | | | | |
| **VII** | **PROFIT / (LOSS) FROM CONTINUING OPERATIONS (V -VI)** | | **(18,215.62)** | **(3,502.42)** |
| **VIII** | **Other Comprehensive Income** | | | |
| | (i) Items that will not be subsequently reclassified to profit or loss | | | |
| | (a) Remeasurements gains /(losses) on defined benefit plans | | 13.46 | (0.38) |
| | (b) Income tax on (a) above | | (4.66) | 0.13 |
| | **Total Other Comprehensive Income for the year (net of tax)** | | **8.80** | **(0.25)** |
| | | | | |
| **IX** | **Total Comprehensive Income for the year (VII + VIII)** | | **(18,206.82)** | **(3,502.67)** |
| | | | | |
| **X** | **Earnings per equity share (for continuing operation):** | | | |
| | (Face value of Rs. 10 each) | | | |
| | (1) Basic | 45 | (134.14) | (25.79) |
| | (2) Diluted | 45 | (134.14) | (25.79) |
| | Significant accounting policies | 1 | | |
| | The accompanying notes are an integral part of the financial statements | 2-58 | | |

As per our report of even date attached

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

**D. V. Ballal**
Partner
M. No.: 013107

Place: Mumbai
Date: 10 August 2018

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

**Devdas Bhat**
Partner
M. No.: 048094

For and on behalf of the Board

**Sunil O. Khandelwal**
(Chief Financial Officer)

**K. H. Gopal**
(Company Secretary)

Taken on record
**Ajay Joshi**
(Resolution Professional)

Place: Mumbai
Date: 10 August 2018

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

## A) EQUITY SHARE CAPITAL

(Rs. in Crore)

| Particulars | As At 31 March 2018 | As At 31 March 2017 |
|---|---|---|
| **Balance at the beginning of the reporting year** | 1,357.87 | 1,357.87 |
| Changes in Equity Share Capital during the year | 10.77 | - |
| **Balance at the end of the reporting year** | **1,368.64** | **1,357.87** |

## B) OTHER EQUITY

(Rs. in Crore)

| | Capital Reserve | Capital Redumption Reserve | Securities premium account | General Reserve | Debenture Redemption Reserve | Foreign Currency Monetary Item Translation Difference Account (FCMITR) | Retained earnings | Total Equity attributable to equity holders of the Company |
|---|---|---|---|---|---|---|---|---|
| **Balance as at 1st April, 2016** | 11.72 | 9.10 | 993.65 | 280.62 | 82.47 | (70.61) | 3,765.07 | 5,072.02 |
| **Addition/Reduction during the Year** | | | | | | | | |
| Loss for the Year | | | | | | | (3,502.42) | (3,502.42) |
| Addition during the period FCMITR | | | | | | 5.66 | | 5.66 |
| Amortisation for the year/period FCMITR | | | | | | 62.86 | | 62.86 |
| Other Comprehensive Income | | | | | | | | - |
| - Remeasurements gains on defined benefit plans (net of tax) | | | | | | | (0.25) | (0.25) |
| Transfer from DRR to Retained Earnings | | | | | (0.50) | | 0.50 | 0.00 |
| **Balance as at 31st March, 2017** | 11.72 | 9.10 | 993.65 | 280.62 | 81.97 | (2.09) | 262.90 | 1,637.87 |
| **Addition/Reduction during the Year** | | | | | | | | |
| Loss for the Year | | | | | | | (18,215.62) | (18,215.62) |
| Addition during the period FCMITR | | | | | | (0.78) | | (0.78) |
| Amortisation for the year/period FCMITR | | | | | | 0.55 | | 0.55 |
| Other Comprehensive Income | | | | | | | | - |
| - Remeasurements gains on defined benefit plans (net of tax) | | | | | | | 8.80 | 8.80 |
| Transfer from DRR to Retained Earnings | | | | | | | - | - |
| **Balance as at 31st March, 2018** | 11.72 | 9.10 | 993.65 | 280.62 | 81.97 | (2.32) | (17,943.92) | (16,569.17) |

As per our report of even date attached

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

**D. V. Ballal**
Partner
M. No.: 013107

Place: Mumbai
Date: 10 August 2018

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

**Devdas Bhat**
Partner
M. No.: 048094

For and on behalf of the Board

**Sunil O. Khandelwal**
(Chief Financial Officer)

**K. H. Gopal**
(Company Secretary)

Taken on record
**Ajay Joshi**
(Resolution Professional)

Place: Mumbai
Date: 10 August 2018

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

(Rs. in Crore)

| Particulars | | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|---|---|---|
| **A]** | **Cash Flow from Operating Activities** | | |
| | Profit/(loss) Before Tax | (18,204.43) | (5,625.98) |
| | **Adjustments for:** | | |
| | Depreciation / amortisation | 527.80 | 512.63 |
| | Exchange rate difference (net) | (7.88) | (11.11) |
| | Dividend income | (1.98) | (1.67) |
| | Diminution in value of investment | 27.10 | 132.69 |
| | Interest expense | 4,682.87 | 3,058.89 |
| | Interest income | (138.18) | (6.66) |
| | Commission Received | (2.08) | - |
| | Other Comprehensive Income | 13.46 | (0.38) |
| | Loss / (Gain) on sale of fixed assets (net) | (57.32) | 130.85 |
| | Provision for Gratuity & leave encashment | (3.69) | - |
| | Impairment of Fixed Assets | 31.56 | - |
| | Provision for doubtful debts and advances | 11,626.67 | 1,174.83 |
| | Bad debts written off (net) | 585.51 | (1.04) |
| | Sundry credit balance written back | (19.29) | 0.04 |
| | Loss on sale of Investment | 3.42 | - |
| | | | |
| | **Operating profit/(Loss) before working capital changes** | **(936.46)** | **(636.88)** |
| | **Adjustments for** | | |
| | Decrease/(Increase) in Inventories | 2,851.83 | 4,843.01 |
| | Increase in Trade Receivable | (1,822.46) | (4,195.70) |
| | Decrease/(Increase) in Loans and Advances | 21.53 | (540.01) |
| | (Decrease)/Increase in Liabilities and Provisions | (239.92) | 434.87 |
| | | | |
| | **Cash (used in) / generated from operations** | **(125.48)** | **(94.71)** |
| | | | |
| | Income taxes paid (net) | (2.84) | (3.35) |
| | | | |
| | **Net cash (used in) / generated from operating activities** | **(128.32)** | **(98.06)** |
| | | | |
| **B]** | **Cash flow from Investing Activities** | | |
| | Purchase of fixed assets including capital advances | (7.15) | (4.80) |
| | Sale of fixed assets | 78.80 | 44.12 |
| | Sale of non-current investments | 7.35 | - |
| | Sale/(purchase) of current investments | - | 0.03 |
| | Earmarked Fixed deposit (placed) / matured (net) | 105.51 | (148.28) |
| | (Refer note 1 below) | | |
| | Dividends received | 1.98 | 1.67 |
| | Interest received | 7.56 | 6.66 |
| | Inter Corporate deposits given | - | 0.16 |
| | Inter Corporate deposits refunded | - | 0.50 |
| | | | |
| | **Net cash generated / (used in) investing activities** | **194.05** | **(99.94)** |
| | | | |

(Rs. in Crore)

| Particulars | | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|---|---|---|
| **C]** | **Cash flow from Financing Activities** | | |
| | Proceeds from term borrowings | - | 239.94 |
| | Repayment of term borrowings | (1.17) | (103.65) |
| | Proceeds from short term borrowings (net) | 388.97 | 470.55 |
| | Interest paid | (494.58) | (355.24) |
| | | | |
| | **Net cash generated from / (used in) financing activities** | **(106.78)** | **251.60** |
| | | | |
| | **Net (Decrease)/Increase in Cash and Cash equivalents (A+B+C)** | **(41.05)** | **53.60** |
| | | | |
| | **Cash and Cash equivalents at the beginning of the year/period** | **72.17** | **18.57** |
| | | | |
| | **Cash and Cash equivalents at the end of the year/period (refer note 1 below)** | **31.12** | **72.17** |

## NOTES TO CASH FLOW STATEMENT

1 Cash flow statement has been prepared under the Indirect Method as set out in the Ind AS 7 - Statement of Cash Flow.

(Rs. in Crore)

2

| Cash and Cash equivalents includes : | 31 March 2018 | 31 March 2017 |
|---|---|---|
| **Cash on hand** | 0.08 | 0.13 |
| Balance with banks in current accounts | 31.41 | 72.48 |
| Other bank balances | 12.17 | 7.53 |
| | **43.66** | **80.14** |
| Add: Other Bank balances held in Deposit / Margin account with Bank (refer note 12) | 149.91 | 260.06 |
| Less : Earmarked balances / deposits with bank | (162.08) | (267.59) |
| Less : Overdrawn Bank balances | (0.44) | (0.44) |
| Add : Exchange Difference | 0.07 | - |
| **Total Cash and Cash equivalents** | **31.12** | **72.17** |

3 The amendments to Ind AS 7 Cash flow statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities,including both changes arising from cash flows and non-cash changes,suggesting inclusion of a reconciliation between the opening and closing balances in the Balance sheet for liabilities arising from financing activities,to meet the disclosure requirement.This amendment has become effective from 01 April 2017 and the required disclosure is made below.There is no other impact on the financial statements due to this amendment.

(Rs. in Crore)

| | as at 31 March 2017 | Cash Flows | Non Cash changes | | | | | as at 31 March 2018 |
|---|---|---|---|---|---|---|---|---|
| | | | Interest | Foreign exchange movement | Guarantee Invocation | Others | Current / non-current classificaiton | |
| Borrowings - Non current | 8,956.14 | (1.17) | - | 39.40 | - | - | (1,871.14) | 7,123.22 |
| Borrowings - current | 13,390.32 | 388.98 | 1,514.98 | 13.76 | 113.59 | 10.85 | 1,713.21 | 17,145.70 |
| Other financial liabilities | 1,793.81 | - | - | - | - | - | 157.92 | 1,951.73 |

As per our report of even date attached

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

**D. V. Ballal**
Partner
M. No.: 013107

Place: Mumbai
Date: 10 August 2018

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

**Devdas Bhat**
Partner
M. No.: 048094

For and on behalf of the Board

**Sunil O. Khandelwal**
(Chief Financial Officer)

**K. H. Gopal**
(Company Secretary)

Taken on record
**Ajay Joshi**
(Resolution Professional)

Place: Mumbai
Date: 10 August 2018

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

**CORPORATE INFORMATION**

Alok Industries Limited ("The Company") is a public limited company, domiciled in India and incorporated under the provisions of the Companies Act, 1956. The equity shares of the Company are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). It is primarily engaged in the business of textile manufacturing including mending and packing activities.

The Company was admitted under NCLT process on 18 July 2017 and Mr. Ajay Joshi has been appointed as Resolution Professional (RP) to manage the operations in terms of the IBC, 2016. Upon admission of the insolvency petition, the powers of the Board of Directors of the Company stand suspended.

The financial statements were certified by Chief Financial Officer and Company Secretary and taken on record by the Resolution Professional at meeting held on 10 August 2018.

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of preparation:**

**i) Compliance with Ind AS:**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, hereinafter referred to as Ind AS.

**ii) Historical cost convention:**

The Financial Statements have been prepared on a historical cost basis, except for the following:

a. certain financial assets and liabilities that are measured at fair value;

b. assets held for sale - measured at lower of carrying amount or net fair value less cost to sell;

c. defined benefit plans - plan assets measured at fair value;

**iii) Recent accounting pronouncements**

**Standards issued but not yet effective:**

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying Ind AS 115, Revenue from Contracts with Customers, Appendix B to Ind AS 21, Foreign currency transactions and advance consideration and amendments to certain other standards. These amendments are in line with recent amendments made by International Accounting Standards Board (IASB). These amendment are applicable to the Company from 01 April 2018. The Company will be adopting the amendments from their effective date.

**a) Ind AS 115, Revenue from Contracts with Customers**

Ind AS 115 supersedes Ind AS 11, Construction Contracts and Ind AS 18, Revenue. Ind AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with customers. The principle of Ind AS 115 is that an entity should recognize revenue that demonstrates the transfer of promised goods and services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contracts at the date of initial application of the standard.

Based on the preliminary assessment performed by the Company, the impact of application of the Standard is not expected to be material.

**b) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration**

The Appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the asset, expenses or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration towards such assets, expenses or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payment or receipts of advance consideration.

The impact of the Appendix on the financial statements, as assessed by the Company, is expected to be not material.

**b) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisitionof assets for processing and their realisation in cash and cash equivalents.

**c) Revenue recognition:**

**i) Timing of recognition:**

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods, the amount of revenue can be measured reliably and it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities of the Company. This generally happens upon dispatch of the goods to customers, except for export sales which are recognised when significant risk and rewards are transferred to the buyer as per the terms of contract.

Eligible export incentives are recognised in the year in which the conditions precedent is met and there is no significant uncertainty about the collectability.

**ii) Measurement of revenue:**

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government which are levied on sales such as sales tax, value added tax, etc.

Revenue includes excise duty as it is paid on production and is a liability of the manufacturer. Discounts given include rebates, price reductions and other incentives given to customers. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale.

The volume discounts are assessed based on anticipated annual purchases.

***Rental Income***

The Company's policy for recognition of revenue from operating leases is described in Note 1 (e) below.

***Interest Income***

For all debt instruments measured at amortised cost, interest income is measured using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

***Dividends***

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

**d) Income taxes:**

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

- **Current tax**

  Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

  Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

- **Deferred tax**

  Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

  Deferred tax liabilities are recognised for all taxable temporary differences, except:

  - When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- Taxable temporary differences arising on the initial recognition of goodwill.
- Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.
- Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

**e) Leases:**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**Company as a lessee:**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term,unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

**Company as a lessor:**

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**f) Property, Plant and Equipment**

**i) Tangible assets:**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Statement of Profit and Loss.

Stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period. Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

**Depreciation methods, estimated useful lives and residual value:**

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

| Asset category | Estimated useful life |
|---|---|
| Buildings | 50 to 60 years |
| Plant and Machinery | 20 to 25 years |

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

The residual values are not more than 5% of the original cost of the asset.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and any changes there in are considered as change in estimate and accounted prospectively.

**ii) Intangible assets:**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible Assets having finite useful life are amortised on the straight line method as per following estimated useful life:

| Asset category | Estimated useful life |
|---|---|
| Computer software | 6 years |
| Trademarks / Brands | 10 years |

The useful lives and method of depreciation of intangible assets are reviewed at each financial year end and any changes there in are considered as change in estimate and accounted prospectively.

Intangible assets having indefinite useful life are tested for impairment at least once in an accounting year regardless of indicators of impairment.

**g) Investment Property:**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Company, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property. Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable borrowing costs and are carried at cost less accumulated depreciation and accumulated impairment losses.

**h) Impairment of fixed assets**

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.

**i) Investments and other financial assets:**

**Classification:**

The Company classifies its financial assets in the following measurement categories:

i) Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss), and

ii) Those measured at amortised cost.

The classification depends on business model of the entity for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income.

For investments in debt instruments, it depends on the business model in which the investment is held.

For investments in equity instruments, it depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

**Initial recognition and measurement:**

Financial assets are recognised when the Company becomes a party to the contractual terms of the instrument.

**Transaction Cost**

Financial assets are recognised initially at fair value plus/minus(in the case of financial assets are not recorded at fair value through profit or loss) transaction costs that are attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in Profit or Loss.

**Subsequent measurement:**

After initial recognition, financial assets are measured at:

i) Fair value {either through Other Comprehensive Income (FVOCI) or through profit or loss (FVPL)} or,

ii) Amortised cost

**Debt instruments**:

Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset.

There are three measurement categories into which the Company classifies its debt instruments:

**Measured at amortised cost:**

Debt instruments that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in Profit or Loss.

**Measured at fair value through Other Comprehensive Income (OCI)**:

Debt instruments that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI (net of taxes). Interest income measured using the EIR method and impairment losses, if any are recognised in Profit or Loss. On de-recognition, cumulative gain (loss) previously recognised in OCI is reclassified from the equity to Profit or Loss.

**Measured at fair value through profit or loss:**

A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in Profit or Loss.

**Equity instruments**:

The Company subsequently measures all investments in equity instruments other than subsidiary companies, associate company and Joint Venture Company at fair value. The Management of the Company has elected to present fair value gains and losses on such equity investments in Profit or Loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in Profit or Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**Investments in subsidiary companies, associate company and joint venture company**:

Investments in subsidiary companies, associate company and Joint Venture Company are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies, associate company and Joint Venture Company, the difference between net disposal proceeds and the carrying amounts are recognised in Profit or Loss.

**Impairment of financial assets:**

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 44 details how the Company determines whether there has been a significant increase in credit risk. For trade and lease receivable only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of such receivables.

**De-recognition:**

A financial asset is de-recognised only when

i) The Company has transferred the rights to receive cash flows from the financial asset, or

ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**Financial liabilities & Equity instruments:**

**i) Classification as debt or equity -** Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

**ii) Initial recognition and measurement** - Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

**iii) Subsequent measurement** - Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in Profit or Loss.

**iv) De-recognition -** A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

**j) Fair Value Measurement**

The Company measures financial instruments, such as Derivatives, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of the principal market, in the most advantageous market for the asset of liability.

The principal or the most advantageous market must be accessible by the company. The fair value of asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

External Valuers are involved for valuation of significant assets such as certain items or property, plant and equipment. For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**k) 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, costs of conversion and other costs incurred in bringing the inventory to its present location and condition.

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

Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company.

**l) Cash and cash equivalents:**

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

**m) Trade receivable:**

Trade receivables are initially recognised at fair value of the revenue. Subsequently, trade receivables are stated at cost less provision for impairment, if any.

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed and individual limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

The Company applies expected credit losses (ECL) model for measurement and recognition of provision / loss allowance on the Trade receivables.

As a practical expedient, the Company uses a provision matrix to measure ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default floating rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default ratesand changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in Profit or Loss under the head 'Other expenses'.

**n) Offsetting financial instruments:**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**o) Derivatives and hedging activities:**

The Company enters into derivative financial instruments to hedge its exposure to movements in interest rates and foreign exchange rates.These are not intended for trading or speculative purposes.

**Financial assets or financial liabilities, at fair value through profit or loss**

This category has derivative financial assets or liabilities which are not designated as hedges. Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorised as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in Profit or Loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets | liabilities in this category are presented as current assets current liabilities if they are either held for trading or are expected to be realised within 12 months after the Balance Sheet date.

**p) Government Grants:**

Grants, in the nature of interest subsidy under the Technology Upgradation Fund Scheme (TUFs), are accounted for when it is reasonably certain that ultimate collection will be made. The interest subsidy is reduced from the interest cost.

Grant received from the Government relating to the purchase of fixed asset and deducted from the carrying amount of corresponding fixed asset.

**q) Borrowings:**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income (expense). Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**r) Borrowing costs:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

**s) Provisions and contingent liabilities:**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**t) Employee benefits:**

**Short-term employee benefits:**

All employee benefits payable within twelve months of service such as salaries, wages, bonus, ex-gratia, medical benefits etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations within the Balance Sheet. Termination benefits are recognised as an expense as and when incurred. Short-term leave encashment is provided at undiscounted amount during the accounting period based on service rendered by employees. Compensation payable under Voluntary Retirement Scheme is being charged to Statement of Profit and Loss in the year of settlement.

**Other long-term employee benefits:**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

**Defined contribution plan:**

Contributions to defined contribution schemes such as contribution to Provident Fund, Superannuation Fund, Employees' State Insurance Corporation, National Pension Scheme and Labours Welfare Fund are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

**Defined benefit plan:**

**Gratuity:**

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Balance Sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**u) Earnings per share:**

**Earnings per share (EPS)** are calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period. The treasury shares are not considered as outstanding equity shares for computing EPS.

**v) Foreign Currency Transactions**

Foreign Currency Transactions are recorded at the exchange rates prevailing on the date of the transaction.

Monetary items denominated in Foreign Currency are reported at the exchange rate prevailing on the balance sheet date. Exchange differences relating to long term monetary items are dealt with in the following manner:

- Exchange differences relating to long term monetary items, arising during the period, in so far as those relate to the acquisition of a depreciable capital asset are added to / deducted from the cost of the asset and depreciated over the balance life of the asset
- In other cases, such differences are accumulated in the "Foreign Currency Monetary Translation Difference Account" and amortised to the statement of profit and loss over the balance life of the long term monetary item.

All other exchange differences are dealt with in profit or loss.

**w) Critical estimates and judgements**

Preparation of the Financial Statements requires use of accounting estimates which, by definition, will seldom equal the actual results. This Note provides an overview of the areas that involved a higher degree of judgements or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements. The areas involving critical estimates or judgements are:

i) Estimation of useful life of tangible assets: Note 1(f)

ii) Estimation of defined benefit obligation: Note 1(t)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

## 2 PROPERTY, PLANT & EQUIPMENT

Rs.in Crores

| DESCRIPTION OF ASSETS | Gross carrying value | | | | Depreciation/Amortisation | | | | Net carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | as at 1 April 2017 | Addition | Deduction | as at 31 Mar 2018 | as at 1 April 2017 | Addition | Deduction | as at 31 Mar 2018 | as at 31 Mar 2018 | as at 31 Mar 2017 |
| **Land** | | | | | | | | | | |
| - Freehold | 4,623.97 | 2.34 | - | 4,626.30 | - | - | - | - | 4,626.30 | 4,623.97 |
| - Leasehold | 35.96 | - | - | 35.96 | 0.87 | 0.45 | - | 1.32 | 34.64 | 35.09 |
| Building | 3,195.40 | - | 10.13 | 3,185.27 | 156.68 | 78.90 | 0.62 | 234.96 | 2,950.31 | 3,038.72 |
| Plant and Equipment (refer note 1 below) | 9,143.92 | 49.25 | 42.49 | 9,150.69 | 1,296.74 | 428.76 | 20.75 | 1,704.75 | 7,445.94 | 7,847.18 |
| Furniture and Fixtures | 53.98 | 0.09 | 0.51 | 53.56 | 26.74 | 9.72 | 0.50 | 35.96 | 17.59 | 27.25 |
| Vehicles | 12.35 | 0.34 | 1.27 | 11.42 | 5.69 | 2.59 | 0.70 | 7.57 | 3.85 | 6.66 |
| Office Equipment | 7.53 | 0.05 | 0.22 | 7.35 | 6.27 | 0.57 | 0.13 | 6.70 | 0.65 | 1.26 |
| Office Premises | 6.36 | 0.00 | 3.53 | 2.83 | 0.27 | 0.09 | 0.24 | 0.12 | 2.71 | 6.09 |
| Computer & Peripherals | 4.72 | 0.10 | 0.54 | 4.28 | 3.54 | 0.61 | 0.52 | 3.67 | 0.61 | 1.18 |
| Tools & Equipment | 54.52 | 0.35 | 0.52 | 54.35 | 8.66 | 3.16 | 0.15 | 11.67 | 42.68 | 45.86 |
| **Total** | **17,138.69** | **52.51** | **59.20** | **17,132.01** | **1,505.45** | **524.85** | **23.61** | **2,006.72** | **15,125.29** | **15,633.24** |

| DESCRIPTION OF ASSETS | Gross carrying value | | | | Depreciation/Amortisation | | | | Net carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | as at 1 April 2016 | Addition | Deduction | as at 31 Mar 2017 | as at 1 April 2016 | Addition | Deduction | as at 31 Mar 2017 | as at 31 Mar 2017 | as at 31 Mar 2016 |
| **Land** | | | | | | | | | | |
| - Freehold | 4,623.64 | 0.33 | - | 4,623.97 | - | - | - | - | 4,623.97 | 4,623.64 |
| - Leasehold | 35.96 | - | - | 35.96 | 0.42 | 0.45 | - | 0.87 | 35.09 | 35.54 |
| Building | 3,195.35 | 0.04 | - | 3,195.40 | 78.47 | 78.21 | - | 156.68 | 3,038.72 | 3,116.89 |
| Plant and Equipment (refer note 1 below) | 9,354.36 | (38.36) | 172.08 | 9,143.92 | 898.33 | 409.82 | 11.41 | 1,296.74 | 7,847.18 | 8,456.03 |
| Furniture and Fixtures | 53.92 | 0.06 | - | 53.98 | 15.44 | 11.30 | | 26.74 | 27.25 | 38.48 |
| Vehicles | 13.21 | - | 0.86 | 12.35 | 3.35 | 2.68 | 0.34 | 5.69 | 6.66 | 9.86 |
| Office Equipment | 7.45 | 0.08 | - | 7.53 | 5.51 | 0.76 | - | 6.27 | 1.26 | 1.94 |
| Office Premises | 6.36 | 13.73 | 13.73 | 6.36 | 0.13 | 0.19 | 0.05 | 0.27 | 6.08 | 6.23 |
| Computer & Peripherals | 4.34 | 0.38 | - | 4.72 | 2.96 | 0.58 | - | 3.54 | 1.18 | 1.38 |
| Tools & Equipment | 53.67 | 0.85 | 0.01 | 54.51 | 5.80 | 2.86 | 0.00 | 8.66 | 45.86 | 47.87 |
| **Total** | **17,348.26** | **(22.89)** | **186.68** | **17,138.69** | **1,010.41** | **506.85** | **11.80** | **1,505.45** | **15,633.24** | **16,337.86** |

NOTE :

1. Plant and Equipments includes : Exchange difference (net) of Rs. 48.71 Crores (Previous period Rs. 40.19 Crores) on restatement of long term borrowings payable in foreign currency.
2. Certain property plant and equipment are pledge against borrowings the details relating to which have been described in note 17 pertaining to borrowings.

## 3 INVESTMENT PROPERTY

Rs.in Crores

| DESCRIPTION OF ASSETS | Gross carrying value | | | | Depreciation/Amortisation | | | | Net carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | as at 1 April 2017 | Addition | Deduction | as at 31 Mar 2018 | as at 1 April 2017 | Addition | Deduction | as at 31 Mar 2018 | as at 31 Mar 2018 | as at 31 Mar 2017 |
| **Investment Property** | | | | | | | | | | |
| Factory Building | 8.73 | - | - | 8.73 | 0.48 | 0.18 | | 0.66 | 8.07 | 8.25 |
| Office Premises | 17.38 | - | 17.38 | - | 0.67 | 0.25 | 0.91 | - | - | 16.71 |
| **Total** | **26.11** | **-** | **17.38** | **8.73** | **1.15** | **0.43** | **0.91** | **0.66** | **8.07** | **24.96** |

| DESCRIPTION OF ASSETS | Gross carrying value | | | | Depreciation/Amortisation | | | | Net carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | as at 1 April 2016 | Addition | Deduction | as at 31 Mar 2017 | as at 1 April 2016 | Addition | Deduction | as at 31 Mar 2017 | as at 31 Mar 2017 | as at 31 Mar 2016 |
| **Investment Property** | | | | | | | | | | |
| Factory Building | 8.73 | - | - | 8.73 | 0.24 | 0.24 | | 0.48 | 8.25 | 8.49 |
| Office Premises | 17.38 | - | - | 17.38 | 0.34 | 0.33 | | 0.67 | 16.71 | 17.04 |
| **Total** | **26.11** | **-** | **-** | **26.11** | **0.58** | **0.57** | **-** | **1.15** | **24.96** | **25.53** |

**Note : Information regarding Income and expenditure of Investment property**

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Rental income derived from Investment properties (See Note 25) | 1.37 | 1.46 |
| Less: Direct operating expenses (including repairs and maintenance) generating rental income | 0.27 | 0.21 |
| Profit arising from investment properties before depreciation | 1.10 | 1.25 |
| Less: Depreciation | 0.43 | 0.57 |
| Profit arising from investment properties | **0.67** | **0.68** |

## 4 INTANGIBLE ASSETS

Rs.in Crores

| DESCRIPTION OF ASSETS | Gross carrying value | | | | Depreciation/Amortisation | | | | Net carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | as at 1 April 2017 | Addition | Deduction | as at 31 Mar 2018 | as at 1 April 2017 | Addition | Deduction | as at 31 Mar 2018 | as at 31 Mar 2018 | as at 31 Mar 2017 |
| **INTANGIBLE ASSETS** | | | | | | | | | | |
| Trademarks / Brands | 12.39 | - | - | 12.39 | 9.64 | 2.13 | - | 11.77 | 0.62 | 2.75 |
| Computer Software | 1.61 | - | - | 1.61 | 0.80 | 0.39 | - | 1.19 | 0.41 | 0.81 |
| **Total** | **14.00** | **-** | **-** | **14.00** | **10.44** | **2.52** | **-** | **12.96** | **1.03** | **3.56** |

| DESCRIPTION OF ASSETS | Gross carrying value | | | | Depreciation/Amortisation | | | | Net carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | as at 1 April 2016 | Addition | Deduction | as at 31 Mar 2017 | as at 1 April 2016 | Addition | Deduction | as at 31 Mar 2017 | as at 31 Mar 2017 | as at 31 Mar 2016 |
| **INTANGIBLE ASSETS** | | | | | | | | | | |
| Trademarks / Brands | 12.39 | - | - | 12.39 | 4.82 | 4.82 | - | 9.64 | 2.75 | 7.57 |
| Computer Software | 1.57 | 0.04 | - | 1.61 | 0.41 | 0.39 | - | 0.80 | 0.81 | 1.16 |
| **Total** | **13.96** | **0.04** | **-** | **14.00** | **5.23** | **5.21** | **-** | **10.44** | **3.56** | **8.73** |

## 5 INVESTMENTS

(Rs. in Crore)

| Particulars | No. of shares of face value of Rs.10 each fully paid-up unless otherwise specified | as at 31 March 2018 | | as at 31 March 2017 | |
|---|---|---|---|---|---|
| **Non-current** | | | | | |
| **a) Investment in Equity shares** | | | | | |
| **In Subsidiary Companies - Trade** | | | | | |
| Alok International Inc. (Rs. 43,225/-) (Face value of USD 1 each) | 1,000 | 0.00 | | 0.00 | |
| Alok Infrastructure Limited (Pledged against finance availed by Alok Infrastructure Limited) | 50,000 | 0.05 | | 0.05 | |
| Alok Singapore Pte. Ltd. (Rs. 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 (Pledged against finance availed by Alok International (Middle East) FZE) | 1 | 1.31 | | 1.31 | |
| Alok Worldwide Limited (Rs. 6,252/-) (Face value of USD 1 each) | 100 | 0.00 | | 0.00 | |
| Alok Global Trading (Middle East) FZE (Rs. 16,985/-) (Face value of UAE Dirhams 1000) | 1 | 0.00 | | 0.00 | |
| Less : Provision for diminution in value of investment | | (1.37) | | - | |
| | | | - | | 1.37 |
| **In step down Subsidiary Companies** | | | | | |
| Grabal Alok ( Uk ) Limited | | 45.27 | | 45.27 | |
| Less : Provision for diminution in value of investment | | (45.27) | - | (28.70) | 16.57 |
| **In Joint Venture** | | | | | |
| Aurangabad Textiles & Apparel Parks Limited | 1,019,200 | 17.25 | | 17.25 | |
| New City Of Bombay Mfg. Mills Limited | 4,493,300 | 75.13 | | 75.13 | |
| | | | 92.38 | | 92.38 |
| **Others** | | | | | |
| Trimphant Victory Holdings Limited (Rs. 90.14/-) (Face value of USD 1 each) | 2 | 0.00 | | 0.00 | |
| Less : Provision for diminution in value of investment | | (0.00) | | | |
| | | | - | | 0.00 |
| Dombivali Nagari Sahakari Bank Limited (Face value of Rs.50 each) | 10,000 | 0.05 | | 0.05 | |
| Saraswat Bank Limited (Rs. 25,000/-) | 2,500 | 0.00 | | 0.00 | |
| (Pledged against finance availed by company) | | | | | |
| Wel-Treat Environ Management Organisation (Rs. 36,500/-) | 3,650 | 0.00 | | 0.00 | |
| | | | 0.05 | | 0.05 |

(Rs. in Crore)

| Particulars | No. of shares of face value of Rs.10 each fully paid-up unless otherwise specified | as at 31 March 2018 | | as at 31 March 2017 | |
|---|---|---|---|---|---|
| **b) Investment in Preference shares - others** | | | | | |
| Triumphant Victory Holdings Limited (0% Redeemable cumulative Preference shares, face value of USD 1 each) | 35,466,960 | 167.90 | | 158.74 | |
| Less : Provision for diminution in value of investment (Refer note no. 42(A)(II)(c)) | | (167.90) | - | (158.74) | - |
| **Total** | | | **92.43** | | **110.37** |

## 6 LOANS

(Rs. in Crore)

| Particulars | as at 31 March 2018 | | as at 31 March 2017 | |
|---|---|---|---|---|
| **Non-current** | | | | |
| **Unsecured considered good** | | | | |
| Loan to Alok Infrastructure Limited, wholly owned subsidiary | | 936.92 | | 994.48 |
| Lease and security deposits | | 5.40 | | 7.63 |
| **Unsecured considered doubtful** | | | | |
| Loan to Alok Infrastructure Limited, wholly owned subsidiary | 342.53 | | 212.97 | |
| Less : Provision for doubtful advance | (342.53) | | (212.97) | |
| | | - | | - |
| **Total** | | **942.32** | | **1,002.11** |
| | | | | |
| **Current** | | | | |
| Loans to related parties (Refer note no. 42(A)(II)(b)) | | | | |
| Unsecured, considered good | | - | | 487.61 |
| Unsecured, considered doubtful | | 1,526.02 | | 1,015.67 |
| | | 1,526.02 | | 1,503.28 |
| Less : Provision for doubtful advances | | (1,526.02) | | (1,015.67) |
| **Total** | | **-** | | **487.61** |

## 7 TAXATION

(Rs. in Crore)

| Particulars | | as at 31 March 2018 | as at 31 March 2017 |
|---|---|---|---|
| **(a)** | **Current Tax comprise of** | | |
| | Current tax for the year/period | - | - |
| | Less : (short) / excess provision of tax relating to earlier years | (15.85) | 29.18 |
| | | **15.85** | **(29.18)** |
| **(b)** | **Deferred tax asset (net) comprises of timing difference on account of** | | |
| | **Deferred Tax Asset** | | |
| | Provision for employee benefits | 12.33 | 16.99 |
| | Provision for doubtful debts and advances | 4,633.54 | 669.11 |
| | Interest not paid | 2,050.54 | 1,181.48 |
| | Unabsorbed depreciation carried forward | 673.63 | 484.97 |
| | Business loss carried forward | 2,320.17 | 2,320.17 |
| | **Less : Deferred tax liability** | | |
| | Depreciation | (3,283.98) | (3,249.62) |
| | **Deferred tax asset** | **6,406.23** | **1,423.11** |
| | Deferred tax asset not recognised (refer note 38) | (4,983.12) | - |
| | **Net Deferred tax asset (refer note 38) Total** | **1,423.11** | **1,423.11** |

## 8 OTHER ASSETS

(Rs. in Crore)

| Particulars | as at 31 March 2018 | as at 31 March 2017 |
|---|---|---|
| **Non-current** | | |
| Unsecured and considered good | | |
| Capital advances | 38.38 | 39.75 |
| **Total** | **38.38** | **39.75** |
| **Current** | | |
| **Unsecured, considered good** | | |
| Balance with Statutory Authorities | 93.94 | 90.25 |
| Prepaid expenses | 0.50 | - |
| Advance to vendors | 24.63 | 27.95 |
| Export incentive receivable | 29.82 | 12.19 |
| Balances with Central Excise Authorities | 0.05 | 0.08 |
| | **148.94** | **130.47** |
| **Unsecured considered doubtful** | | |
| Export incentive receivable | 0.13 | 2.58 |
| Balance with Statutory Authorities | - | 32.02 |
| Advance to vendors | 0.51 | 1.64 |
| | **0.64** | **36.24** |
| | **149.58** | **166.71** |
| Less: provision for doubtful receivables | (0.64) | (36.24) |
| **Total** | **148.94** | **130.47** |

## 9 INVENTORIES

(Rs. in Crore)

| Particulars | as at 31 March 2018 | | as at 31 March 2017 | |
|---|---|---|---|---|
| **(At lower of cost and net realisable value)** | | | | |
| Raw Materials | 50.43 | | 2,908.86 | |
| (includes material in transit Rs. 6.48 Crores (Previous period Rs. 7.34 Crores) | | | | |
| Work-in-progress | 164.08 | | 128.64 | |
| **Finished goods** | 116.84 | | 126.07 | |
| | | 331.35 | | 3,163.57 |
| Stores and Spares | | 22.91 | | 31.36 |
| Packing Material | | 4.51 | | 15.67 |
| **Total** | | **358.77** | | **3,210.60** |

## 10 TRADE RECEIVABLES

(Rs. in Crore)

| Particulars | as at 31 March 2018 | as at 31 March 2017 |
|---|---|---|
| Unsecured, considered good | 207.36 | 9,940.46 |
| Unsecured, considered doubtful | 11,082.38 | 129.87 |
| | **11,289.74** | **10,070.33** |
| Less : Provision for doubtful debts (refer note 35) | **(11,082.38)** | **(129.87)** |
| **Total** | **207.36** | **9,940.46** |

Notes:

(i) Refer note no. 42(A)(II)(e) for related party balance.

## 11 CASH AND CASH EQUIVALENTS

(Rs. in Crore)

| Particulars | as at 31 March 2018 | as at 31 March 2017 |
|---|---|---|
| **Cash and Cash equivalents** | | |
| Cash on hand | 0.08 | 0.13 |
| Balance with Bank | | |
| In Current Accounts | 31.41 | 72.48 |
| **Total Cash and Cash equivalents** **Total** | **31.49** | **72.61** |

**12 OTHER BANK BALANCES**

(Rs. in Crore)

| Particulars | as at 31 March 2018 | as at 31 March 2017 |
|---|---|---|
| **OTHER FINANCIAL ASSETS** | | |
| **Non Current** | | |
| Balance with Bank | | |
| Balances / Deposits held as margin money or security against borrowings, guarantee and other commitments | 149.91 | 260.06 |
| | | |
| **Total other bank balances** **Total** | 149.91 | 260.06 |
| | | |
| **OTHER BANK BALANCES** | | |
| **Current** | | |
| Balance with Bank | | |
| In earmarked accounts | | |
| Unclaimed dividend accounts | 0.86 | 0.86 |
| Balances / Deposits held as margin money or security against borrowings, guarantee and other commitments | 11.31 | 6.67 |
| **Total other bank balances** **Total** | **12.17** | **7.53** |

Margin monies include Rs. 2.03 Crores (Previous period Rs. 7.19 Crores) which have an original maturity of more than 12 months and Rs. 1.00 Crores (Previous period Rs. 0.79 Crores) which have a maturity of more than 12 months from the Balance Sheet date.

**13 OTHER FINANCIAL ASSETS**

(Rs. in Crore)

| Particulars | as at 31 March 2018 | as at 31 March 2017 |
|---|---|---|
| **Unsecured, considered good** | | |
| Advance to staff (refer note (a) below) | 2.22 | 3.04 |
| Inter Corporate Deposits | - | 0.04 |
| Unutilised DEPB licence | 0.42 | 0.83 |
| Interest subsidy receivable | - | 4.04 |
| | **2.64** | **7.95** |
| **Unsecured, considered doubtful** | | |
| Inter Corporate Deposits | 0.70 | 0.66 |
| Less : provision | (0.70) | (0.66) |
| | - | - |
| Interest subsidy receivable | 35.42 | 31.37 |
| Less : Provision for interest subsidy receivable | (35.42) | (31.37) |
| | - | - |
| Unutilised DEPB licence | 0.30 | - |
| Less : Provision for unutilised DEPB licence | (0.30) | - |
| | - | - |
| **Total** | **2.64** | **7.95** |

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

## 14 CURRENT TAX ASSETS (NET)

(Rs. in Crore)

| Particulars | as at 31 March 2018 | as at 31 March 2017 |
|---|---|---|
| Advance tax (net of provision for tax) | 36.08 | 7.80 |
| **Total** | **36.08** | **7.80** |

## 15 EQUITY SHARE CAPITAL

(Rs. in Crore)

| Particulars | as at 31 March 2018 | as at 31 March 2017 |
|---|---|---|
| **Authorised** | | |
| 400,00,00,000 (Previous Year 150,00,00,000) Equity shares of Rs. 10/- each | 4,000.00 | 1,500.00 |
| | **4,000.00** | **1,500.00** |
| **Issued and Subscribed** | | |
| 1,37,73,17,895 Equity shares of Rs.10/- each fully paid up | 1,377.32 | 1,377.32 |
| Less:- Alok Benefit Trust is holding 86,91,000 Equity Shares [Previous Year 1,94,59,382] of Rs. 10/- of Alok Industries Limited, the sole beneficiary of which is the Company. | (8.69) | (19.46) |
| | **1,368.63** | **1,357.86** |
| Add : 13,921 Equity shares forfeited of Rs. 10/- each, Rs. 5/- paid up | 0.01 | 0.01 |
| **Total** | **1,368.64** | **1,357.87** |

**(i) Reconciliation of number of shares and amount outstanding at the beginning and end of the year**

| Particulars | as at 31 March 2018 | | as at 31 March 2017 | |
|---|---|---|---|---|
| | No.of shares | Rs.in Crores | No.of shares | Rs.in Crores |
| **Equity shares of Rs.10/- each** | | | | |
| At the beginning of the year | 1,377,317,895 | 1,377.32 | 1,377,317,895 | 1,377.32 |
| Add : Shares issued | - | - | - | - |
| At the end of the year | 1,377,317,895 | 1,377.32 | 1,377,317,895 | 1,377.32 |

a) The above includes, 2,24,85,000 Equity shares alloted to the shareholders of Grabal Alok Impex Limited during the year end March 2012, pursuant to the Scheme of Amalgamation for consideration other than cash.

**(ii) Shareholders holding more than 5 percent shares in the Company**

| Name of the Shareholder | as at 31 March 2018 | | as at 31 March 2017 | |
|---|---|---|---|---|
| | No of shares | % | No of shares | % |
| Alok Knit Exports Private Limited | 286,998,681 | 20.84% | 295,479,896 | 21.45% |

**(iii) Rights, preferences and restrictions attached to equity shares**

The Company has single class of equity shares. Each shareholders is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

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

## 16 OTHER EQUITY

(Rs. in Crore)

| Particulars | as at 31 March 2018 | | as at 31 March 2017 | |
|---|---|---|---|---|
| **Capital Reserve** | | | | |
| Balance as per last Balance Sheet | 11.72 | | 11.72 | |
| Add: addition during the year | - | | - | |
| | | 11.72 | | 11.72 |
| **Note:**<br>Capital reserve was created during the year ended 31 March 2012, on merger of Grabal Alok Impex Limited (Subsidiary of the Company). This reserve will be utilised in accordance with the provisions of the Companies Act, 2013. | | | | |
| **Capital Redemption Reserve** | | | | |
| Balance as per last Balance Sheet | 9.10 | | 9.10 | |
| Add: addition during the year | - | | - | |
| | | 9.10 | | 9.10 |
| **Note:**<br>Capital redemption reserve was created during the year ended 31 March 2012, on merger of Grabal Alok Impex Limited (Subsidiary of the Company). This reserve will be utilised in accordance with the provisions of the Companies Act, 2013. | | | | |
| **Securities premium account** | | | | |
| Balance as per last Balance Sheet | 993.65 | | 993.65 | |
| Add: addition during the year | - | | - | |
| | | 993.65 | | 993.65 |
| **Note:**<br>Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provision of the Companies Act, 2013. | | | | |
| **General Reserve** | | | | |
| Balance as per last Balance Sheet | 280.62 | | 280.62 | |
| Add: addition during the year | - | | - | |
| | | 280.62 | | 280.62 |
| **Note:**<br>General reserve is used from time to time to transfer profits from Retained earnings for appropriation purpose. This reserve will be utilised in accordance with the provision of the Companies Act, 2013 | | | | |
| **Debenture Redemption Reserve** | | | | |
| Balance as per last Balance Sheet | 81.97 | | 82.47 | |
| Less: Transferred from / (to) Statement of Profit and Loss (Refer note i below) | - | | (0.50) | |
| | | 81.97 | | 81.97 |
| **Note:**<br>The Company has issued Redeemable Non Convertible Debentures. Accordingly, the Companies (Share Capital and Debentures) Rules, 2014 (as amended), require the Company to create DRR out of the proifts of the Company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of the debentures issued before the redemption of debentures. in view of the loss during the current year and for the year ended 31 March 2017, the Company has not created DRR in respect of Redeemable Non Convertible Debentures. Further, the company has transferred DRR created on the debenture issued and redeemed in the past to retained earnings. | | | | |

| Particulars | as at 31 March 2018 | | as at 31 March 2017 | |
|---|---|---|---|---|
| **Foreign Currency Monetary Item Translation Difference Account** | | | | |
| Balance as per last Balance Sheet | (2.09) | | (70.61) | |
| Add : Addition during the year | (0.78) | | 5.66 | |
| Less : Amortisation for the year (Refer note ii below) | 0.55 | | 62.86 | |
| | | (2.32) | | (2.09) |
| **Note:** Exchange differences relating to Long term foreign currency loan has been transferred to this account to be amortised over the balance period of the loan. | | | | |
| **(Deficit)/Surplus in the Statement of Profit and Loss** | | | | |
| Retained earnings | 262.90 | | 3,765.07 | |
| Add : | | | | |
| Profit/(Loss) for the year | (18,215.62) | | (3,502.42) | |
| Other Comprehensive Income (net of tax) | 8.80 | | (0.25) | |
| Less : Appropriations | | | | |
| Transferred (to) / from Debenture redemption reserve (Refer note i below) | - | | 0.50 | |
| | | (17,943.92) | | 262.90 |
| | | | | |
| **Note:** The (Deficit)/Surplus is arising out of the operations and would be dealt with accordingly. | | | | |
| **Total** | | **(16,569.17)** | | **1,637.87** |

**Notes :**

(i) Due to loss during the year and deficit in the Statement of Profit & Loss at the year end, no amount has been transferred to Debenture redemption reserve. Further, the amount transferred from Debenture redemption reserve to Statement of Profit & Loss is on account of redemption of debentures during the year 2016-2017 for which Debenture redemption reserve was created in the past.

(ii) Amortisation for the year Includes Rs. Nil (Previous year Rs. 59.24 crore) on account of long term advance received from customer for which the Company has given Export Performance Bank Guarantee which has been invoked by the customer during the year.

## 17 LONG-TERM BORROWINGS

(Rs. in Crore)

| PARTICULARS | | As At 31 March 2018 | | | As At 31 March 2017 | | |
|---|---|---|---|---|---|---|---|
| | | Overdue | Current Maturities | Non Current | Overdue | Current Maturities | Non Current |
| a) Debentures (Secured) (Refer (i) and (vi) below) | | | | | | | |
| | | 447.65 | 108.34 | 75.00 | 236.83 | 108.33 | 183.34 |
| | (i) | 447.65 | 108.34 | 75.00 | 236.83 | 108.33 | 183.34 |
| b) Term Loans | | | | | | | |
| Secured (Refer (ii), (iii) and (vi) below) | | | | | | | |
| From banks | | | | | | | |
| - Rupee Loans | | 4,337.46 | 1,215.16 | 6,439.72 | 1,949.20 | 1,374.08 | 7,657.15 |
| - Foreign currency loans | | 594.09 | 425.07 | 335.25 | 381.25 | 142.69 | 739.23 |
| | (ii) | 4,931.55 | 1,640.23 | 6,774.97 | 2,330.45 | 1,516.77 | 8,396.38 |
| From Financial Institutions | | | | | | | |
| - Rupee Loans | | 494.53 | 203.04 | 273.25 | 196.99 | 120.35 | 376.29 |
| - Foreign currency loans | | 169.25 | - | - | 149.13 | - | - |
| | (iii) | 663.78 | 203.04 | 273.25 | 346.12 | 120.35 | 376.29 |
| | | | | | | | |
| Unsecured (Refer note (iv) and (vi) below) | | | | | | | |
| From banks | | | | | | | |
| - Rupee Loans | | 53.35 | - | - | 16.50 | 30.41 | - |
| - Foreign currency loans | | 73.29 | - | - | 43.88 | 17.55 | - |
| | (iv) | 126.64 | - | - | 60.38 | 47.96 | - |
| c) Other loans & advances (Refer (v) below) | | | | | | | |
| - Secured | | | | | | | |
| Vehicle loan from Banks | | 0.06 | 0.12 | - | 0.06 | 0.40 | 0.13 |
| (Secured by vehicles under hypothecation with banks) | (v) | 0.06 | 0.12 | - | 0.06 | 0.40 | 0.13 |
| **Total** | **(i) to (v)** | **6,169.68** | **1,951.73** | **7,123.22** | **2,973.84** | **1,793.81** | **8,956.14** |

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

| Particulars | Nos | 31-Mar-18 (Rs. Crores) | 31-Mar-17 (Rs. Crores) | Date of Redemption |
|---|---|---|---|---|
| 12.00% Redeemable Non convertible Debentures | 375 | 37.50 | 37.50 | 1-Feb-20 |
| 12.00% Redeemable Non convertible Debentures | 375 | 37.50 | 37.50 | 1-Aug-19 |
| 12.00% Redeemable Non convertible Debentures | 375 | 37.50 | 37.50 | 1-Feb-19 |
| 13.00% Redeemable Non convertible Debentures | 334 | 33.34 | 33.34 | 18-Oct-18 |
| 12.00% Redeemable Non convertible Debentures | 375 | 37.50 | 37.50 | 1-Aug-18 |
| 12.00% Redeemable Non convertible Debentures | 375 | 37.50 | 37.50 | 1-Feb-18 |
| 13.00% Redeemable Non convertible Debentures | 333 | 33.33 | 33.33 | 18-Oct-17 |
| 12.00% Redeemable Non convertible Debentures | 375 | 37.50 | 37.50 | 1-Aug-17 |
| 15.50% Redeemable Non convertible Debentures | 366 | 36.66 | 36.66 | 2-Mar-17 |
| 12.00% Redeemable Non convertible Debentures | 375 | 37.50 | 37.50 | 1-Feb-17 |
| 13.00% Redeemable Non convertible Debentures | 333 | 33.33 | 33.33 | 18-Oct-16 |
| 12.00% Redeemable Non convertible Debentures | 375 | 37.50 | 37.50 | 1-Aug-16 |
| 11.50% Redeemable Non convertible Debentures | 560 | 56.00 | 56.00 | 29-Jun-16 |
| 15.50% Redeemable Non convertible Debentures | 367 | 35.84 | 35.84 | 2-Mar-16 |
| Interest Accrued | | 102.49 | - | |
| **Total** | | **630.99** | **528.50** | |

b) All the debentures are secured by pari passu charge on the immovable property situated at Mouje Irana, Taluka Kadi, District Mehsana in the state of Gujarat. Further, Debentures of Rs. 344.98 Crores are secured by first pari passu charge created on fixed assets of the company and Debentures of Rs. 286.01 Crores are secured by subservient charge on fixed and current assets of the Company (excluding Land and Building).

**(ii) Security for term loans**

(Rs. in Crore)

| Nature of security | Banks | Financial Institutions | Total |
|---|---|---|---|
| Exclusive charge on Plant & Machinery and specific assets financed * | 480.48 | - | 480.48 |
| | (395.82) | (-) | (395.82) |
| Pari passu first charge created on the entire fixed assets of the Company # | 12,299.64 | 970.82 | 13,270.46 |
| | (11,431.81) | (628.98) | (12,060.79) |
| Subservient charge on all movable and current assets of the Company | 566.64 | 169.25 | 735.89 |
| | (519.61) | (149.13) | (668.74) |
| **Total** | **13,346.76** | **1,140.07** | **14,486.83** |
| | **(12,347.24)** | **(778.11)** | **(13,125.35)** |

* Includes loans aggregating to Rs. 81.27 Crores (Previous period Rs. 69.82 Crores) which are further secured by personal guarantees of promoter directors / corporate guarantee of promoter group companies

\# Includes Bank loans aggregating to Rs. 2284.50 Crores (Previous period Rs. 2,204.20 Crores) & Financial Institution loans aggregating to Rs. 100 Crores (Previous period Rs. 100 Crores) which are further secured by personal guarantees of promoter directors / corporate guarantee of promoter group Companies.

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

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

**a) Non-current**

(Rs. in Crore)

| Particulars | Rate of Interest | 1-2 Years | 2-3 Years | 3-4 Years | Beyond 4 Years | Total |
|---|---|---|---|---|---|---|
| Rupee Term Loan From Bank | 9.45% - 18.50% | 980.78 | 882.11 | 1,020.55 | 3,556.28 | 6,439.72 |
| | (10% - 16%) | (1,226.32) | (996.81) | (882.11) | (4,551.91) | (7,657.15) |
| Foreign Currency Term Loan From Banks | 1.03% - 5.51% | 126.02 | 130.51 | 68.55 | 10.16 | 335.25 |
| | (1.30% - 7.50%) | (419.65) | (119.23) | (125.13) | (75.22) | (739.23) |
| Rupee Term Loan From Financial Institutions | 9.00% - 15.00% | 78.04 | 80.38 | 20.74 | 94.09 | 273.25 |
| | (9.00% - 15.00%) | (103.04) | (78.04) | (80.38) | (114.83) | (376.29) |
| **Total** | | **1,184.84** | **1,093.00** | **1,109.84** | **3,660.53** | **7,048.21** |
| | | **(1,749.01)** | **(1,194.08)** | **(1,087.61)** | **(4,741.96)** | **(8,772.66)** |

**b) Current**

(Rs. in Crore)

| Particulars | Rate of Interest | Overdue | Current Maturities |
|---|---|---|---|
| | | | |
| Rupee Term Loan From Banks | 9.45% - 18.50% | 4,337.46 | 1,215.16 |
| | (10% - 16%) | (1,949.19) | (1,374.08) |
| Foreign Currency Term Loan From Banks | 1.03% - 5.51% | 594.09 | 425.07 |
| | (1.30% - 7.50%) | (381.25) | (142.69) |
| Rupee Term Loan From Financial Institutions | 9.00% - 15.00% | 494.53 | 203.04 |
| | (9.00% - 15.00%) | (196.98) | (120.35) |
| Foreign Currency Term Loan From Financial Institutions | 3.44% - 3.44% | 169.25 | - |
| | (2.96% - 5.40%) | (149.13) | - |
| **Total** | | **5,595.33** | **1,843.27** |
| | | **(2,676.55)** | **(1,637.12)** |

**(iv) Terms of repayment of Other loans and advances**

| Particulars | Rate of Interest | 1-2 Years | 2-3 Years | 3-4 Years | Beyond 4 Years | Total |
|---|---|---|---|---|---|---|
| Vehicle Loan | 11.20% - 11.30% | - | - | - | - | - |
| | (10.65% - 12.20%) | (0.13) | (-) | (-) | (-) | (0.13) |

**(v) The Company has defaulted in repayment of principal and interest payments. The period and amount of continuing defaults as on the Balance sheet date are as under:**

**a) Principal amounts :** (Rs. in Crore)

| Particulars | 0-30 days | 31-90 days | 91-180 days | Above 180 days | Total |
|---|---|---|---|---|---|
| a) Debentures | - | 37.50 | 33.33 | 376.82 | 447.65 |
| | (36.66) | (37.50) | (33.33) | (129.34) | (236.83) |
| b) Term Loans | | | | | |
| - Secured | | | | | |
| From banks : | | | | | |
| - Rupee Loans | 190.71 | 438.78 | 303.83 | 3,404.14 | 4,337.46 |
| | (272.43) | (336.23) | (201.66) | (1,138.88) | (1,949.20) |
| - Foreign currency loans | 41.86 | 20.59 | 29.82 | 501.82 | 594.09 |
| | (3.36) | (22.43) | (21.28) | (334.18) | (381.25) |
| From Financial Institutions : | | | | | |
| - Rupee Loans | 26.06 | 5.29 | 27.31 | 435.86 | 494.53 |
| | (25.16) | (3.26) | (25.76) | (142.81) | (196.99) |
| - Foreign currency loans | 0.81 | (0.43) | - | 168.87 | 169.25 |
| | (-) | (-) | (-) | (149.13) | (149.13) |
| - Unsecured | | | | | |
| From banks : | | | | | |
| - Rupee Loans | 4.82 | 7.59 | 4.50 | 36.44 | 53.35 |
| | (1.75) | (5.25) | (2.50) | (7.00) | (16.50) |
| - Foreign currency loans | 8.16 | 5.73 | 4.23 | 55.17 | 73.29 |
| | (-) | (3.37) | (2.62) | (37.90) | (43.89) |
| **Total** | **272.42** | **515.06** | **403.02** | **4,979.12** | **6,169.62** |
| | **(339.36)** | **(408.04)** | **(287.15)** | **(1,939.24)** | **(2,973.79)** |

**b) Interest :**

(Rs. in Crore)

| Particulars | 0-30 days | 31-90 days | 91-180 days | Above 180 days | Total |
|---|---|---|---|---|---|
| a) Debentures | 59.52 | 16.81 | - | 97.02 | 173.35 |
| | (22.21) | (18.02) | - | (124.12) | (164.35) |
| b) Term Loans | | | | | |
| - Secured | | | | | |
| From banks : | | | | | |
| - Rupee Loans | 865.19 | 264.59 | - | 1,681.49 | 2,811.27 |
| | (284.32) | (174.78) | (241.81) | (1,009.99) | (1,710.90) |
| - Foreign currency loans | 32.90 | 13.18 | - | 48.12 | 94.19 |
| | (6.73) | (11.89) | (0.51) | (37.45) | (56.58) |
| From Financial Institutions : | | | | | |
| - Rupee Loans | 83.86 | 22.77 | - | 140.88 | 247.51 |
| | (16.50) | (24.62) | (22.93) | (188.20) | (252.25) |
| - Foreign currency loans | 3.45 | 1.26 | - | 1.33 | 6.03 |
| | (1.27) | (1.66) | - | (15.36) | (18.29) |
| - Unsecured | | | | | |
| From banks : | | | | | |
| - Rupee Loans | 0.21 | 0.42 | - | 1.43 | 2.06 |
| | (0.96) | (1.11) | - | (4.37) | (6.44) |
| - Foreign currency loans | 0.79 | 0.33 | - | 1.35 | 2.46 |
| | (0.26) | (0.28) | - | (1.56) | (2.10) |
| **Total** | **1,045.90** | **319.36** | **-** | **1,971.60** | **3,336.87** |
| | **(332.25)** | **(232.36)** | **(265.25)** | **(1,381.05)** | **(2,210.91)** |

Previous period figures are given in brackets.

**(vi)** Currently the company is under IBC process and is not require to meet any loan or interest obligation till approval of final resolution. Hence due to non availability of data of repayments schedule of borrowings, borrowings are classified current / non current based on normal circumstances.

**18 PROVISIONS**

(Rs. in Crore)

| Particulars | as at 31 March 2018 | as at 31 March 2017 |
|---|---|---|
| **Non Current** | | |
| For employee benefits | 35.68 | 36.97 |
| **Total** | **35.68** | **36.97** |
| **Current** | | |
| For employee benefits | 5.58 | 7.98 |
| **Total** | **5.58** | **7.98** |

## 19 SHORT-TERM BORROWINGS

(Rs. in Crore)

| Particulars | as at 31 March 2018 | | as at 31 March 2017 | |
|---|---|---|---|---|
| **Working capital loans :** | | | | |
| Cash Credit accounts, working capital demand loan etc. (Refer (i) below) | | | | |
| From Banks (Secured) | | 9,727.05 | | 9,349.52 |
| [Includes Rs. 126.79 Crores (Previous period Rs.126.39 Crores) loans in foreign currency] | | | | |
| From Financial Institutions (Secured) | | 180.05 | | 160.38 |
| From Financial Institutions (Unsecured) | | 12.36 | | 12.36 |
| Temporary Overdrawn Bank Balances | | 0.44 | | 0.44 |
| Inter Corporate Deposit (Secured) $ | | 28.68 | | 113.09 |
| Inter Corporate Deposit (Unsecured) | | 2.52 | | 6.81 |
| Short term loan | | | | |
| Secured (Refer (ii) and (iv) below) | | | | |
| -Rupee Loans | | | | |
| From Financial Institutions | | 75.82 | | 75.50 |
| **Overdue/Recalled Loans** | | | | |
| Non Convertible Debentures | | | | |
| Debentures (Secured) (Refer Note 17(i) and 17(vi) above) | | 447.65 | | 236.83 |
| Long term borrowings | | | | |
| Secured (Refer Note 17(ii) and 17(vi) above) | | | | |
| -Rupee Loans | | | | |
| From Banks | 4,337.46 | | 1,949.20 | |
| From Financial Institutions | 494.53 | | 196.99 | |
| | 4,831.99 | | 2,146.19 | |
| Foreign currency loans | | | | |
| From Banks | 594.09 | | 381.25 | |
| From Financial Institutions | 169.25 | | 149.13 | |
| | 763.34 | 5,595.33 | 530.38 | 2,676.57 |
| Hire Purchase Loans | | 0.06 | | 0.06 |
| Unsecured (Refer Note 17(vi) above) | | | | |
| -Foreign currency loans | | | | |
| From Banks | | 73.29 | | 43.89 |
| -Rupee Loans | | | | |
| From Banks | | 53.35 | | 16.50 |
| Short term borrowings | | | | |
| Demand loan | | | | |
| Secured (Refer (iii) and (iv) below) | | | | |
| -Rupee Loans | | | | |
| From Financial Institutions | | 444.05 | | 334.50 |
| Unsecured | | | | |
| -Foreign currency loans | | | | |
| From Financial Institutions | | 505.05 | | 363.87 |
| **Total** | | **17,145.70** | | **13,390.32** |

(Rs. in Crore)

| Nature of security | Banks | Financial Institutions | Total |
|---|---|---|---|
| **Security for working capital loans :** | | | |
| **(i)** (a) Hypothecation of company's current assets and mortgage of certain immovable properties belonging to the company.# (b) Second charge created on all fixed assets (excluding land and building) of the company#" | 9,636.72 | 180.05 | 9,816.77 |
| | (9,259.48) | (160.37) | (9,419.85) |
| | 90.77 | - | 90.77 |
| Subservient charge created on all moveable and current assets of the company and further secured by personal guarantees of promoter directors.* | (90.48) | (0.01) | (90.49) |
| | 9,727.49 | 180.05 | 9,907.54 |
| Total | (9,349.96) | (160.38) | (9,510.34) |
| **(ii) Security for short term loans** | | | |
| Subservient charge on all movable and current assets of the Company @ | - | 77.76 | 77.76 |
| | (-) | (75.50) | (75.50) |
| **(iii) Security for demand loans** | | | |
| (a) Second charge created on all immovable properties of the Company situated at Vapi & Silvassa. | - | 444.05 | 444.05 |
| (b) pledge of shares held by step down subsidiaries viz. Alok Industries International Limited and Grabal Alok International Limited in Mileta a.s. & Grabal Alok (UK) Ltd. respectively. | (-) | (334.50) | (334.50) |

\# Includes Bank loans aggregating Rs. 2329.62 Crores (Previous period Rs. 2,295.20 Crores) for which charge is being created on part of the land owned by Alok Infrastructure Limited, wholly owned subsidiary of the Company.

* Includes Bank loans aggregating Rs. 43.69 Crores (Previous period Rs. 43.55 Crores) secured by charge created / is being created on part of the land owned by Alok Infrastructure Limited, wholly owned subsidiary of the Company.

@ Includes loans aggregating Rs. 77.76 Crores (Previous period Rs. 75.50 Crores) secured by charge created on part of the land owned by Alok Infrastructure Limited, wholly owned subsidiary of the Company.

$ Includes Rs. Nil (previous year Rs. 64.60 crore) Secured by first charge on three floors of Peninsula Business Park owned by Alok Infrastructure Limited, wholly owned subsidiary of the Company and Rs. 28.68 crore (previous year Rs. 48.49 crores) secured by second charge on one floor of Peninsula Business Park owned by Alok Infrastructure Limited, wholly owned subsidiary of the Company.

**(iv) The Company has defaulted in repayment of principal and interest payments. The period and amount of contuining default as on the Balance sheet date are as under:**

**a) Principal amounts :**

(Rs. in Crore)

| Particulars | 0-30 days | 31-90 days | 91 to 180 Days | Above 180 Days | Total |
|---|---|---|---|---|---|
| **Secured** | | | | | |
| - Rupee loans | | | | | |
| From Financial Institutions | 6.19 | 16.36 | 11.31 | 486.03 | 519.89 |
| | (-) | (-) | (-) | (410.00) | (410.00) |
| - Foreign currency loans | | | | | |
| From Banks | 80.12 | (1.36) | - | 426.29 | 505.05 |
| | (-) | (-) | (-) | (363.87) | (363.87) |
| **Total** | **86.30** | **15.00** | **11.31** | **912.32** | **1,024.94** |
| | **(-)** | **(-)** | **(-)** | **(773.87)** | **(773.87)** |

### b) Interest :

(Rs. in Crore)

| Particulars | 0-30 days | 31-90 days | 91 to 180 Days | Above 180 Days | Total |
|---|---|---|---|---|---|
| **Secured** | | | | | |
| - Rupee loans | | | | | |
| From Banks | 0.54 | 0.61 | - | 0.61 | 1.76 |
| | (-) | (-) | (-) | (-) | (-) |
| - Rupee loans | | | | | |
| From Financial Institutions | (0.95) | 2.86 | - | 23.34 | 25.25 |
| | (10.98) | (14.11) | (10.58) | (29.90) | (65.57) |
| - Foreign Currency Loan | | | | | |
| From Banks | 18.19 | 7.86 | - | 14.91 | 40.95 |
| | (8.39) | (10.24) | (-) | (93.09) | (111.72) |
| | | | | | |
| Working capital loans | 819.34 | 238.28 | - | 1,630.68 | 2,688.30 |
| | (443.59) | (243.79) | (95.60) | (341.80) | (1,124.78) |
| Inter Corporate Deposits | 16.28 | 2.91 | - | 13.43 | 32.62 |
| | (9.13) | (3.22) | (-) | (20.36) | (32.71) |
| **Total** | **853.40** | **252.50** | **-** | **1,682.98** | **2,788.88** |
| | **(472.09)** | **(271.35)** | **(106.19)** | **(485.15)** | **(1,334.78)** |

Previous period figures are given in brackets.

### 20 TRADE PAYABLE

(Rs. in Crore)

| Particulars | as at 31 March 2018 | as at 31 March 2017 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises ( Refer a below) | 11.91 | 12.55 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| Acceptances | 143.93 | 253.24 |
| Other than Acceptances | 630.41 | 779.36 |
| **Total** | **786.25** | **1,045.15** |

Refer note no 42(A)(II)(f) for related party balance.

**a. Information as per Micro, Small & Medium Enterprises Act:**

| | Particulars | as at 31-Mar-18 | as at 31-Mar-17 |
|---|---|---|---|
| (i) | Principal amount remaining unpaid to any supplier as at the end of the accounting period | 11.91 | 12.55 |
| (ii) | Interest due thereon remaining unpaid to any supplier as at the end of the accounting period | 13.31 | 9.99 |
| (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 | 1.41 | 3.32 |
| (v) | The amount of interest accrued and remaining unpaid at the end of the accounting period | 14.72 | 13.31 |
| (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 | 0.69 | 0.37 |

The above information has been determined on the basis of information available with the Company.

## 21 OTHER FINANCIAL LIABILITIES

(Rs. in Crore)

| Particulars | as at 31 March 2018 | as at 31 March 2017 |
|---|---|---|
| Current maturities of long-term borrowings (Refer note no.17) | 1,951.73 | 1,793.81 |
| Interest accrued but not due | 10.07 | 4.05 |
| Interest accrued and due | 6,224.82 | 3,558.01 |
| Deferred income | - | 0.88 |
| Unclaimed dividends (refer note below) | 0.86 | 0.86 |
| Creditors for capital goods | 27.41 | 31.16 |
| **Total** | **8,214.89** | **5,388.77** |

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

## 22 OTHER CURRENT LIABILITIES

(Rs. in Crore)

| Particulars | as at 31 March 2018 | as at 31 March 2017 |
|---|---|---|
| **Other payables** | | |
| Advance from customers | 73.02 | 53.17 |
| Advance from Related parties (Refer note no. 42(A)(II)(g)) | 114.95 | 274.17 |
| Towards statutory liabilities | 13.32 | 14.79 |
| Others | 144.40 | 121.34 |
| **Total** | **345.69** | **463.47** |

## 23 CURRENT TAX LIABILITIES

(Rs. in Crore)

| Particulars | as at 31 March 2018 | as at 31 March 2017 |
|---|---|---|
| Provision for taxation (net of advance tax) | 121.53 | 77.63 |
| **Total** | **121.53** | **77.63** |

## 24 REVENUE FROM OPERATIONS

(Rs. in Crore)

| | Particulars | Year ended 31 March 2018 | | Year ended 31 March 2017 | |
|---|---|---|---|---|---|
| a) | Sale of product (net of returns) | | | | |
| | Sales - Local (inclusive of excise duty upto 30 June 2017) | 4,410.24 | | 7,158.95 | |
| | Less: Discount | (15.93) | 4,394.31 | (1.52) | 7,157.43 |
| | Sales - Export | 930.38 | | 1,091.45 | |
| | Less: Discount | (7.56) | 922.82 | (8.46) | 1,082.98 |
| | | | **5,317.13** | | **8,240.41** |
| b) | Sale of services | | | | |
| | Job work charges collected | | 59.06 | | 79.07 |
| | | | | | |
| c) | Other operating revenue | | | | |
| | Sale of Scrap | | 5.76 | | 6.59 |
| | **Total** | | **5,381.95** | | **8,326.07** |

## 25 OTHER INCOME

(Rs. in Crore)

| Particulars | Year ended 31 March 2018 | | Year ended 31 March 2017 | |
|---|---|---|---|---|
| Interest Income | | | | |
| - Bank fixed deposits | 5.82 | | 10.70 | |
| - Others | 132.36 | | 119.19 | |
| | | 138.18 | | 129.89 |
| Dividend Income : | | | | |
| On Long Term Investments | 1.98 | | 1.67 | |
| | | 1.98 | | 1.67 |
| Profit on Sale of DEPB | | 1.61 | | (0.97) |
| Profit on Sale of fixed assets (net) | | 57.32 | | - |
| Exchange rate difference (net) | | 13.94 | | 14.36 |
| Rent received | | 1.37 | | 1.46 |
| Sundry credit balances written back | | 19.29 | | 0.04 |
| Other non operating income | | 2.62 | | 19.24 |
| **Total** | | **236.31** | | **165.69** |

## 26 COST OF MATERIALS CONSUMED

(Rs. in Crore)

| Particulars | as at 31 March 2018 | as at 31 March 2017 |
|---|---|---|
| **Raw Material Consumed** | | |
| Opening Stock | 2,908.86 | 7,656.81 |
| Add: Purchases | 2,328.99 | 2,710.75 |
| Less: Closing Stock | (50.43) | (2,908.86) |
| **Total** | **5,187.42** | **7,458.70** |

## 27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Rs. in Crore)

| Particulars | as at 31 March 2018 | | as at 31 March 2017 | |
|---|---|---|---|---|
| **CLOSING STOCK AS ON 31 MARCH 2018** | | | | |
| Finished Goods | 116.84 | | 126.07 | |
| Work-in-progress | 164.08 | | 128.64 | |
| | | 280.93 | | 254.71 |
| **LESS : OPENING STOCK AS ON 1 APRIL 2017** | | | | |
| Finished Goods | 126.07 | | 173.68 | |
| Work-in-progress | 128.64 | | 174.58 | |
| | | 254.71 | | 348.26 |
| **Total** | | **26.22** | | **(93.55)** |

## 28 EMPLOYEE BENEFIT EXPENSES

(Rs. in Crore)

| Particulars | as at 31 March 2018 | as at 31 March 2017 |
|---|---|---|
| Salaries and wages | 251.94 | 262.95 |
| Contribution to provident and other funds | 15.92 | 12.56 |
| Employees welfare expenses | 7.82 | 7.80 |
| **Total** | **275.68** | **283.31** |

## 29 FINANCE COSTS

(Rs. in Crore)

| Particulars | as at 31 March 2018 | as at 31 March 2017 |
|---|---|---|
| Interest expense: (refer note 40) | 4,627.67 | 3,063.62 |
| (Net of interest subsidy Rs. Nil Crores (Previous period Rs. 0.63 Crores)) | | |
| Interest on late payment of taxes | 6.61 | 7.18 |
| Other borrowing cost | 48.59 | 202.72 |
| Applicable net gain/loss on foreign currency transaction & translation | | |
| **Total** | **4,682.87** | **3,273.52** |

## 30 DEPRECIATION AND AMORTISATION EXPENSE

(Rs. in Crore)

| Particulars | as at 31 March 2018 | as at 31 March 2017 |
|---|---|---|
| Depreciation of Property Plant and Equipment (See Note 2) | 524.85 | 506.85 |
| Depreciation on Investment Properties (See Note 3) | 0.43 | 0.57 |
| Amortization of Intangible Assets (See Note 4) | 2.52 | 5.21 |
| **Total** | **527.80** | **512.63** |

## 31 OTHER EXPENSES

(Rs. in Crore)

| Particulars | Year ended 31 March 2018 | | Year ended 31 March 2017 | |
|---|---|---|---|---|
| Stores and Spares Consumed | | 70.45 | | 72.32 |
| Packing Materials Consumed | | 114.46 | | 100.75 |
| Power and Fuel | | 389.68 | | 402.47 |
| Processing Charges | | 36.61 | | 28.81 |
| Labour Charges | | 61.45 | | 63.81 |
| Donation | | 0.13 | | 0.02 |
| Freight, Coolie and Cartage | | 42.95 | | 43.36 |
| Legal and Professional Fees | | 12.73 | | 20.04 |
| Rent | | 9.42 | | 8.30 |
| Rates and Taxes | | 5.34 | | 7.52 |
| Repairs and Maintenance | | | | |
| Plant and Machinery | 10.68 | | 9.03 | |
| Factory Building | 2.37 | | 0.66 | |
| Others | 3.36 | | 4.10 | |
| | | 16.41 | | 13.79 |
| Commission on Sales | | 36.78 | | 29.06 |
| Provision for Doubtful Debts | | 10,952.51 | | 118.22 |
| Provision for Doubtful Advances | | 608.69 | | 1,056.61 |
| Bad debts written off (net) | | 585.51 | | (1.04) |
| Directors Remuneration | | 5.80 | | 6.44 |
| Directors Fees and Commission | | 0.01 | | 0.04 |
| Auditors' remuneration (excluding service tax) | | | | |
| Audit and related fees | 1.00 | | 1.00 | |
| Certification fees | 0.10 | | 0.10 | |
| | | 1.10 | | 1.10 |
| Insurance | | 8.53 | | 13.76 |
| Loss on sale of assets (net) | | - | | 130.85 |
| Diminution in value of investment | | 27.10 | | 132.69 |
| Impairment of Fixed assets (refer note 54) | | 31.56 | | - |
| Sundry Balance Written off | | 66.60 | | 2.94 |
| CIRP Expenses | | 12.31 | | - |
| Loss on sale of investment | | 3.42 | | - |
| Miscellaneous Expenses | | 27.28 | | 47.79 |
| (Miscellaneous expenses includes Agency and clearing charges, security expenses etc.) | | | | |
| **Total** | | **13,126.80** | | **2,299.65** |

32 Alok Industries Limited ("Company") was admitted under the corporate insolvency resolution ("CIR") process in terms of the Insolvency and Bankruptcy Code, 2016 ("Code"), vide an order dated 18 July 2017 of the Hon'ble National Company Law Tribunal, Ahmedabad ("Adjudicating Authority"). Pursuant to the said order, Mr. Ajay Joshi was appointed as the interim resolution professional for the Company and was subsequently confirmed as the resolution professional ("RP"). During the CIR process, only one resolution plan ("Resolution Plan") was received from JM Financial Asset Reconstruction Company Limited, JM Finance ARC Trust and Reliance Industries Limited jointly ("Resolution Applicants"). This Resolution Plan was not approved by the Committee of Creditors ("COC") with the requisite majority as required then under Section 30 (4) of the Code (which was 75% of assenting voting share). Under the provisions of the Code, the RP filed a liquidation application on 16th April, 2018 before the Adjudicating Authority.

Pursuant to promulgation of the Insolvency and Bankruptcy (Amendment) Ordinance dated 6 June 2018 ("Ordinance"), the voting threshold for approval of Resolution Plan was reduced from 75% to 66%. The Adjudicating Authority in an application by Alok Employees Benefit & Welfare Trust passed an order dated 11 June 2018 directing the Resolution Professional to present the Resolution Plan of the sole Resolution Applicants before the COC for a re-look and proper consideration as per the Ordinance. Accordingly, in compliance with the said order, the Resolution Plan submitted jointly by the Resolution Applicants was again placed before the COC for approval under Section 30 (4) of the Code (as amended by the Ordinance). The Resolution Plan was approved by the COC with 72.192% assenting voting share. Subsequently, vide its order dated 25th June, 2018, the Adjudicating Authority granted liberty to the RP to withdraw the liquidation application filed by it and file an application for approval of Resolution Plan. Accordingly, the RP withdrew the liquidation application and filed the resolution plan for approval of the Adjudicating Authority. Vide an order dated 17 July 2018, the Adjudicating Authority dismissed the liquidation application. The application filed by the RP for approval of Resolution Plan is currently pending adjudication by the Adjudicating Authority.

Post the commencement of the CIR process, the Company is continuing to operate as a going concern in terms of the Code. Currently, the application for approval of the Resolution Plan is pending with the Adjudicating Authority and therefore the financial statements are being presented on a going concern basis.

33 Certain financial creditors of the Company have filed various applications before the Adjudicating Authority as well as the Hon'ble National Company Law Appellate Tribunal, New Delhi ("Appellate Tribunal"), inter alia, challenging the Resolution Plan of the Company. These applications are pending adjudication by the respective tribunals. In the event, the Adjudicating Authority/Appellate Tribunal (or any subsequent appeals) result in the rejection of the Resolution Plan, the Company may be ordered to be liquidated by the Adjudicating Authority/ Appellate Tribunal/subsequent appellate authority.

34 During the year, the Company has incurred a net loss of Rs. 18206.82 crores and as of 31 March 2018, the Company's accumulated losses amounted to Rs. 17943.92 crores, as against the Company's Net worth of Rs. 2995.74 crores as at 31 March 2017. Total liabilities of the Company as on 31 March 2018 exceeded total assets by Rs. 15200.53 crores.

35 During the financial year, the Company discontinued its business of trading in fabrics with effect from 01 July 2017. The Management has informed the RP that the trading business with a highly fragmented customer base experienced significant tightening of liquidity and has resulted into continuing payment defaults by customers. The Company has written off Rs. 585.51 crores and made provision for the entire balance amount of outstanding trading debtors of Rs. 10,952.51 crores during the year as per the Accounting policy followed by the Company.

In compliance with his duties under the Code, the RP has made an application under Section 60(5) seeking directions of the Adjudicating Authority for further steps in this matter. The said application is currently pending adjudication before the Adjudicating Authority.

**36 Contingent Liabilities in respect of :**

(Rs. in Crore)

| Sr. No. | Particulars | 31-Mar-18 | 31-Mar-17 |
|---|---|---|---|
| A | Custom duty on shortfall in export obligation in accordance with EXIM Policy | Amount Unascertained | Amount Unascertained |
| B | Bank guarantees given | | |
| | a) Relating to Joint Ventures | 10.00 | 10.00 |
| | b) Others | 1.72 | 0.47 |
| C | Corporate guarantees / Standby Letter of Credit given to banks for loans taken by subsidiary companies | 0.00 | 132.61 |
| D | Bills discounted | 37.33 | 70.13 |
| E | Claims against the Company not acknowledged as debts: | | |
| | a) Income taxes | 2.32 | 28.38 |
| | b) Maharashtra value added tax | 1.43 | 8.07 |
| | c) Other tax demands | 0.85 | 1.57 |
| | d) Others – disputes under litigation | 108.11 | 68.21 |
| | Take or Pay claim filed by GAIL (India) Limited under their long term Gas Supply Agreement | 506.43* | 70.70 |
| | e) Certain cases were filed by the lenders/ suppliers in respect of dishonour of cheque issued for repayment of borrowings including interest and outstanding dues and further interest till non-payment | Amount Unascertained | Amount Unascertained |
| | f) Certain cases were filed/notices issued by the lenders in respect of delayed / non-payment of borrowings including interest by the Company or it's subsidiary company and further interest till non-payment | Amount Unascertained | Amount Unascertained |
| F | The Company has issued letters for providing financial support to certain subsidiaries | Nil | Amounts are not quantifiable |

* Claim not admitted by the Resolution Professional under the provisions of The Insolvency and Bankruptcy Code, 2016

**37 Capital Commitments**

(Rs. in Crore)

| Particulars | 31-Mar-18 | 31-Mar-17 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) towards Land | 7.17 | 25.03 |

**38** The net deferred tax assets as on 31 March 2018 is Rs. 1423.11 crores (Previous Year Rs. 1423.11 crores). The Resolution Plan for the Company is under consideration of the Adjudicating Authority. Reliable projections of future taxable income, therefore, shall be available only when the Resolution Plan is implemented. Accordingly, deferred tax assets for the current period and the Financial Year are presently not recognised and the net deferred tax assets as at the end of the previous financial year has been carried forward.

**39** In the opinion of management, the current assets and other non-current assets after necessary provisions / write offs have a value on realisation in the ordinary course of the business, at least equal to the amount at which they are stated; except reported otherwise.

**40** Interest includes Penal interest claimed by the financial creditors and admitted by the RP till 18 July, 2017.

**41** Revenue from operation for the period up to 30 June 2017 includes excise duty which is discontinued with effect from 01 July 2017 upon implementation of Goods & Service Tax (GST). In accordance with Ind AS 18 Revenue GST is not included in Revenue from operations.

## 42 Related Party Disclosure

### A. Name and transactions / balances with related parties

#### I. Name of related parties and nature of relationship

As per Indian Accounting Standard 24(IndAS-24) "Related Party Disclosures", Company's related parties disclosure are as below:

| | | |
|---|---|---|
| **(i)** | **Subsidiaries** | |
| | a. Alok Industries International Limited | h. Springdale Information and Technologies Private Limited # |
| | b. Alok International Inc. | i. Kesham Developers & Infotech Private Limited # |
| | c. Alok International (Middle East) FZE | j. Alok Singapore Pte Ltd. |
| | d. Alok Worldwide Limited | k. Grabal Alok (UK) Limited # |
| | e. Mileta, a.s. | l. Grabal Alok International Limited |
| | f. Alok Global Trading(Middle East) FZE (Liquidated on 12 Sept 2017) | |
| | g. Alok Infrastructure Limited | |
| | # Liquidation under process | |
| **(ii)** | **Associate companies** | |
| | a. Alspun Infrastructure Limited (till 14 March 2018) | b. Ashford Infotech Private Limited (till 17 November 2017) |
| **(iii)** | **Entities under common control** | |
| | a. Alok Denims (India) Limited | e. Alok Knit Exports Private Limited |
| | b. Alok Textile Traders | f. Ashok Realtors Private Limited |
| | c. Triumphant Victory Holdings Limited | g. Nirvan Exports |
| | d. D. Surendra & Co. | h. Pramatex Enterprises |
| **(iv)** | **Joint Venture** | |
| | a. Aurangabad Textiles & Apparel Parks Limited | b. New City Of Bombay Mfg. Mills Limited |
| **(v)** | **Key Management Personnel (KMP)** | |
| | a. Ashok B. Jiwrajka, Executive Director & CE (Home Textiles) | i. Rajeev Kumar (Nominee Director of IDBI Bank Ltd.)(nomination withdrawn w.e.f.05.08, 2017) |
| | b. Dilip B. Jiwrajka, Managing Director & CE (Apparel Fabrics) | j. Atanu Sen (Nominee Director of SBI) (resigned w.e.f. 26.06.2018) |
| | c. Surendra B. Jiwrajka, Joint Managing Director & CE (Polyester) | k. Pradeep Kumar Rath (Nominee Director of LIC of India)(resigned w.e.f. 09.05.2018) |
| | d. Surinder Kumar Bhoan, Independent Director | l. Mrs. Thankom Mathew (Independent Director) (resigned w.e.f. 01.12.2017) |
| | e. Tulsi N. Tejwani, Executive Director & CEO (Weaving) | m. Sunil O. Khandelwal, Chief Financial Officer |
| | f. Senthilkumar M.A., Executive Director & CEO (Processing) | n. K. H. Gopal, Company Secretary |
| | g. Keshav Dattaram Hodavdekar, Independent Director | **Relatives of KMP**<br>Alok A. Jiwrajka |
| | h. Suneet Shukla (Nominee Director of IFCI Limited w.e.f. 15.05.2017) | Niraj D. Jiwrajka<br>Varun S. Jiwrajka |
| **(vi)** | **Firms in which KMP and Relatives of KMP are interested** | a. AVAN Packaging & Boards<br>b. Linear Design<br>c. C. J. Corporation |
| **(vii)** | **Resolution Professional** | Ajay Joshi |

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

(Rs. in Crore)

| | Transaction | Entities under common control | Subsidiaries | Joint Venture Company | Total |
|---|---|---|---|---|---|
| a) | Long term Loans & Advances | | | | |
| | Balance as at 1 Apr 2017 | - | 994.48 | - | 994.48 |
| | | (-) | (888.72) | (-) | (888.72) |
| | Granted during period | - | 0.86 | - | 0.86 |
| | | (-) | (125.39) | (-) | (125.39) |
| | Effective Interest Rate Effect | - | 122.05 | - | 122.05 |
| | | (-) | (118.00) | (-) | (118.00) |
| | Less: Received / Adjusted during the Period | - | 50.90 | - | 50.90 |
| | | (-) | (19.62) | (-) | (19.62) |
| | Less: Provision Made During The Period | - | 129.56 | - | 129.56 |
| | | (-) | (-) | (-) | (-) |
| | Balance as at 31 March 2018 | - | 936.92 | - | 936.92 |
| | | (-) | (994.48) | (-) | (994.48) |
| b) | Short Term Loans & Advances | | | | |
| | Balance as at 1 Apr 2017 | - | 487.61 | - | 487.61 |
| | | (0.01) | (750.85) | (-) | (750.86) |
| | Granted during period | - | 18.61* | - | 18.61 |
| | | (238.28) | (489.56) | (-) | (727.84) |
| | Exchange Rate Diff | 0.74 | 4.74 | - | 5.48 |
| | | - | (32.80) | (-) | (32.80) |
| | Received / Adjusted during the period | - | 1.34 | - | 1.34 |
| | | (5.71) | (2.51) | (-) | (8.22) |
| | Provision Made During The Period | 0.74 | 509.61 | - | 510.35 |
| | | (232.58) | (783.09) | (-) | (1,015.67) |
| | Balance as at 31 March 2018 | - | - | - | - |
| | * Amount of earlier year now rectified | (-) | (487.61) | (-) | (487.61) |
| c) | Non-current Investments | | | | |
| | Balance as at 1 Apr 2017 | - | 17.94 | 92.38 | 110.32 |
| | | (154.02) | (1.36) | (92.38) | (247.76) |
| | Invested during year | - | - | - | - |
| | | (4.72) | (45.27) | (-) | (49.99) |
| | Effective Interest Rate Effect | 9.16 | - | - | 9.16 |
| | | (-) | (-) | (-) | (-) |
| | Diminution during year | 9.16 | 17.94 | | 27.10 |
| | | (158.74) | (28.70) | | (187.44) |
| | Balance as at 31 March 2018 | - | - | 92.38 | 92.38 |
| | | (-) | (17.94) | (92.38) | (110.32) |
| d) | Contingent Liability (Guarantee Given) | | | | |
| | Balance as at 1 Apr 2017 | - | 132.61 | - | 132.61 |
| | | (-) | (886.07) | (-) | (886.07) |
| | Given during the year | - | - | - | - |
| | | (-) | (-) | (-) | (-) |
| | Invoked during the year | - | 132.61 | - | 132.61 |
| | | (-) | (753.67) | (-) | (753.67) |
| | Balance as at 31 March 2018 | - | - | - | - |
| | | (-) | (132.61) | (-) | (132.61) |

| | Transaction | Entities under common control | Subsidiaries | Joint Venture Company | Total |
|---|---|---|---|---|---|
| e) | Sundry Debtors | | | | |
| | Balance as at 1 Apr 2017 | - | 22.84 | - | 22.84 |
| | | (-) | (83.39) | (-) | (83.39) |
| | Sale during the year | - | 0.32 | - | 0.32 |
| | | (-) | (-) | (-) | (-) |
| | Receipt during the year | - | - | - | - |
| | | (-) | (26.88) | (-) | (26.88) |
| | Adjustment during the period(includes transfer / exchange Diff) | - | 19.99* | - | 19.99 |
| | | (-) | (33.67) | (-) | (33.67) |
| | Provision Made During The Period | - | 3.17 | - | 3.17 |
| | | (-) | (-) | (-) | (-) |
| | Balance as at 31 March 2018 | - | - | - | - |
| | * includes amount of earlier year now rectified | (-) | (22.84) | (-) | (22.84) |
| f) | Sundry Creditors | | | | |
| | Balance as at 1 Apr 2017 | 46.19 | - | - | 46.19 |
| | | (55.71) | (-) | (-) | (55.71) |
| | Purchase during the year | - | - | - | - |
| | | (-) | (-) | (-) | (-) |
| | Payment during the year | 0.10 | - | - | 0.10 |
| | | (14.05) | (-) | (-) | (14.05) |
| | Adjustment during the period | 5.60 | - | - | 5.60 |
| | | (4.53) | (-) | (-) | (4.53) |
| | Balance as at 31 March 2018 | 40.48 | - | - | 40.48 |
| | | (46.19) | (-) | (-) | (46.19) |
| g) | Advance from Debtors | | | | |
| | Balance as at 1 Apr 2017 | - | 274.17 | - | 274.17 |
| | | (-) | (288.71) | (-) | (288.71) |
| | Sale during the year | - | 3.46 | - | 3.46 |
| | | (-) | (8.99) | (-) | (8.99) |
| | Receipt during the year | - | 0.89 | - | 0.89 |
| | | (-) | (2.39) | (-) | (2.39) |
| | Adjustment during the period(includes transfer / exchange Diff) | - | 156.66 | - | 156.66 |
| | | (-) | (21.14) | (-) | (21.14) |
| | Balance as at 31 March 2018 | - | 114.95 | - | 114.95 |
| | | (-) | (274.17) | (-) | (274.17) |
| h) | Turnover | | | | |
| | Sales of Goods | - | 3.77 | - | 3.77 |
| | | (-) | (8.99) | (-) | (8.99) |
| i) | Expenditure | | | | |
| | Interest to Other | - | - | - | - |
| | | (-) | (2.11) | (-) | (2.11) |
| | Rent | - | - | - | - |
| | | (-) | (0.26) | (-) | (0.26) |
| | Exchange Rate Difference | - | - | - | - |
| | | (3.75) | (-) | (-) | (3.75) |
| | Commission on Sales | - | 8.18 | - | 8.18 |
| | | (-) | (7.95) | (-) | (7.95) |

| Transaction | | Entities under common control | Subsidiaries | Joint Venture Company | Total |
|---|---|---|---|---|---|
| j) | Income | | | | |
| | Dividend | - | - | 1.98 | 1.98 |
| | | (-) | (-) | (1.66) | (1.66) |
| | Commission Received | - | 2.08 | - | 2.08 |
| | | (-) | (11.17) | (-) | (11.17) |
| | Rent | - | 0.00 | - | 0.00 |
| | | (-) | (0.01) | (-) | (0.01) |
| | Interest Income | - | 122.05 | - | 122.05 |
| | | (-) | (118.50) | (-) | (118.50) |

**Transaction with Key Management Personnel**

(Rs. in Crore)

| Transaction | | Key Management Personnel | Relatives of Key Management Personnel | Firms in which relatives of key management persons interested | Total |
|---|---|---|---|---|---|
| a) | Sundry Debtors | - | - | 0.00 | 0.00 |
| | Balance as at 1 Apr 2017 | (-) | (-) | (0.00) | (0.00) |
| | Sale during the year | - | - | 0.11 | 0.11 |
| | | (-) | (-) | (0.97) | (0.97) |
| | Receipt during the year | - | - | - | - |
| | | (-) | (-) | (-) | (-) |
| | Adjustment during the period | - | - | 0.11 | 0.11 |
| | | (-) | (-) | (0.97) | (0.97) |
| | Balance as at 31 March 2018 | - | - | 0.00 | 0.00 |
| | | (-) | (-) | (0.00) | (0.00) |
| b) | Sundry Creditors | | | | |
| | Balance as at 1 Apr 2017 | - | - | 21.04 | 21.04 |
| | | (-) | (-) | (22.69) | (22.69) |
| | Purchase during the year | - | - | 57.05 | 57.05 |
| | | (-) | (-) | (53.34) | (53.34) |
| | Payment during the year | - | - | 53.13 | 53.13 |
| | | (-) | (-) | (48.74) | (48.74) |
| | Adjustment during the period | - | - | 0.96 | 1.02 |
| | | (-) | (-) | (6.19) | (6.19) |
| | Balance as at 31 March 2018 | - | - | 23.99 | 23.99 |
| | | (-) | (-) | (21.10) | (21.10) |
| c) | Turnover | | | | |
| | Sales of Goods | - | - | 0.11 | 0.11 |
| | | (-) | (-) | (0.97) | (0.97) |
| d) | Expenditure | | | | |
| | Purchase of Packing materials | - | - | 56.84 | 56.84 |
| | | (-) | (-) | (53.34) | (53.34) |
| | Rent | - | 0.20 | - | 0.20 |
| | | (-) | (0.10) | (-) | (0.10) |
| | Consultancy Charges | - | - | 0.22 | 0.22 |
| | | (-) | (-) | (1.11) | (1.11) |
| | Directors Sitting Fee | 0.01 | - | - | 0.01 |
| | | (0.04) | (-) | (-) | (0.04) |

| | Transaction | Key Management Personnel | Relatives of Key Management Personnel | Firms in which relatives of key management persons interested | Total |
|---|---|---|---|---|---|
| | Remuneration | 8.32<br>(6.43) | 0.90<br>(0.90) | -<br>(-) | 9.11<br>(7.33) |
| e) | <u>Income</u><br>Rent | -<br>(-) | -<br>(-) | 0.02<br>(0.05) | 0.02<br>(0.05) |

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

(Rs. in Crore)

| | Transaction | Current Year | | Previous Year |
|---|---|---|---|---|
| a) | **<u>Long / Short-term loans and advances</u>** | | | |
| | **Granted during the period (Net) -** | | | |
| | **Subsidiary-** | | | |
| | Alok Infrastructure Limited | 0.86 | | 125.39 |
| | Alok Worldwide Limited | | | 494.68 |
| | Alok International Inc | 18.61 | | |
| | **Entities under common control** | | | |
| | Triumphant Victory Holdings Limited | - | | 238.28 |
| | | | 19.46 | 858.35 |
| | **Effective Interest Rate Effect -** | | | |
| | **Subsidiary-** | | | |
| | Alok Infrastructure Limited | 122.05 | | 118.00 |
| | | | 122.05 | 118.00 |
| | **Exchange Rate Diff -** | | | |
| | **Subsidiary-** | | | |
| | Alok International Inc. | 1.85 | | - |
| | Alok Worldwide Limited | 2.65 | | - |
| | | | 4.50 | - |
| | **Received / Adjustment during the period** | | | |
| | **Subsidiary-** | | | |
| | Alok Infrastructure Limited | 50.90 | | 19.62 |
| | Alok Industries International Limited | - | | 2.51 |
| | Alok International (Middle East) FZE | 52.29 | | |
| | Alok Singapore Pte Ltd. | 25.36 | | |
| | | | 128.56 | 22.13 |
| | **Provision made during the period** | | | |
| | **Subsidiary-** | | | |
| | Alok Worldwide Limited | 267.47 | | 150.00 |
| | Alok International Inc. | 165.61 | | 570.63 |
| | Alok Infrastructure Limited | 129.56 | | |
| | Grabal Alok (UK) Limited | 76.35 | | |
| | - | | 638.99 | 720.63 |
| | Entities under common control | | | |
| | Triumphant Victory Holdings Limited | 0.74 | | 232.58 |
| | | | 0.74 | 232.58 |

| | Transaction | Current Year | | Previous Year |
|---|---|---|---|---|
| b) | **Investment** | | | |
| | **Invested during the period** | | | |
| | **Subsidiary-** | | | |
| | Grabal Alok (UK) Limited | - | | 45.27 |
| | **Effective Interest Rate Effect -** | | | |
| | **Entites under common control** | | | |
| | Triumphant Victory Holdings Limited | 9.16 | | - |
| | **Diminution during year -** | | | |
| | **Entities under common control** | | | |
| | Triumphant Victory Holdings Limited | 9.16 | | - |
| c) | **Trade Receivable** | | | |
| | **Subsidiary-** | | | |
| | Alok International Inc. | 2.85 | | 22.84 |
| | **Provision made during the period** | | | |
| | **Subsidiary-** | | | |
| | Alok International Inc. | 2.85 | - | - |
| d) | **Trade Payable** | | | |
| | **Entities under common control** | | | |
| | Alok Denim (India) Limited | 42.75 | | 42.81 |
| e) | **Other Current Liabilities** | | | |
| | **Subsidiary-** | | | |
| | Alok Singapore Pte Ltd. | 89.61 | | 155.03 |
| | Alok International (Middle East) FZE | 25.34 | | 118.95 |
| | | | 114.95 | 273.98 |
| f) | **Sale of Goods** | | | |
| | **Subsidiary-** | | | |
| | Alok International (Middle East) FZE | 3.46 | | 7.17 |
| | Alok Infrastructure Limited | 0.32 | | |
| | | | 3.78 | 7.17 |
| | **Firms in which KMP and relatives of KMP interested** | | | |
| | C. J. Corporation | 0.11 | | 0.97 |
| g) | **Expenditure** | | | |
| | **i) Purchase of Raw Materials:** | | | |
| | **Subsidiary-** | | | |
| | Mileta, a,s. | - | | 0.02 |
| | **ii) Purchase of Packing Materials:** | | | |
| | **Firms in which KMP and relatives of KMP interested** | | | |
| | C. J. Corporation | 56.84 | | 53.34 |
| | **iii) Rent:** | | | |
| | **Subsidiary-** | | | |
| | Alok Infrastructure Limited | | | 0.26 |
| | **Relative of Key Management Personnel-** | | | |
| | Varun S. Jiwrajka | 0.10 | | 0.10 |
| | Vidhi S. Jiwrajka | 0.10 | | - |
| | | | 0.20 | 0.10 |
| | **iv) Consutancy Charges:** | | | |
| | **Firms in which KMP and relatives of KMP interested** | | | |
| | Avan Packaging & Boards | 0.20 | | 1.11 |

| | Transaction | Current Year | | Previous Year |
|---|---|---|---|---|
| | **v) Commission on sale:** | | | |
| | Subsidiary - | | | |
| | Alok International (Middle East) FZE | 3.46 | | 4.51 |
| | Alok Singapore Pte Ltd. | | | 3.44 |
| | | | 3.46 | 7.95 |
| | **vi) Remuneration:** | | | |
| | **Key Management Personnel-** | | | |
| | Ashok B. Jiwrajka | 1.45 | | 1.50 |
| | Dilip B. Jiwrajka | 1.45 | | 1.50 |
| | Sunrendra B. Jiwrajka | 1.45 | | 1.50 |
| | Sunil O. Khandelwal | 1.28 | | 0.61 |
| | K. H. Gopal | 1.24 | | 0.59 |
| | Tulsi Tejwani | 0.68 | | 0.34 |
| | Senthilkumar M.A. | 0.77 | | 0.39 |
| | | | 8.31 | 6.43 |
| | **vii) Exchange rate Difference:** | | | |
| | Entities under common control | | | |
| | Triumphant Victory Holdings Limited | - | | 3.75 |
| h) | **Dividend Income :** | | | |
| | **Joint Venture Companies-** | | | |
| | New City Of Bombay Mfg Mills Ltd | 1.75 | | 1.46 |
| | Aurangabad Textile and Apparel Park Ltd | 0.22 | | 0.20 |
| | | | 1.98 | 1.66 |
| i) | **Commission Received :** | | | |
| | **Subsidiary -** | | | |
| | Alok International Inc | - | | 4.95 |
| | Alok International (Middle East) FZE | 0.60 | | - |
| | Grabal Alok (UK) Limited | 1.48 | | - |
| | Alok Worldwide Limited | - | | 4.36 |
| | | | 2.08 | 9.31 |
| j) | **Other Income :** | | | |
| | **Subsidiary -** | | | |
| | Alok Infrastructure Limited | 122.05 | | 110.03 |
| k) | **Rent Received :** | | | |
| | **Subsidiary -** | | | |
| | Alok Infrastructure Limited | 0.00 | | 0.01 |
| | **Entities under common control** | | | |
| | C.J. Corporation | 0.02 | | 0.02 |
| | Linear Design | - | | 0.02 |
| | | | 0.02 | 0.05 |
| l) | **Guarantee expired/adjusted :** | | | |
| | **Subsidiary -** | | | |
| | Alok Industries International Limited | - | | 236.32 |
| | Alok Worldwide Limited | - | | 497.50 |
| | Alok International (Middle East) FZE | 36.04 | | |
| | Grabal Alok (UK) Limited | 96.57 | | |
| | | | 132.61 | 733.82 |
| m) | **Guaranteed outstanding as at Balance Sheet date :** | | | |
| | **Subsidiary -** | | | |
| | Alok International (Middle East) FZE | - | | 36.04 |
| | Grabal Alok (UK) Limited | - | | 96.57 |
| | | | - | 132.61 |

### IV. Transaction with Resolution Professional

| Transaction | | Current Year | | Previous Year |
|---|---|---|---|---|
| | Professional Fees | 0.49 | | - |
| | | | 0.49 | |

### B. Joint Venture

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

(Rs. In Crores)

| Name of the Company | Country of Incorporation | % of share holding | Amount of interest | | | | |
|---|---|---|---|---|---|---|---|
| | | | Assets | Liabilities | Income | Expense | Contingent Liability |
| **New City of Bombay Mfg. Mills Limited #** | | | | | | | |
| | India | 49.00% | 48.16 | 14.09 | 17.77 | 17.93 | @ |
| | | (49.00%) | (63.81) | (27.47) | (141.02) | (138.88) | (0.81) |
| | | | | | | | |
| **Aurangabad Textile and Apparel Park Limited #** | | | | | | | |
| | India | 49.00% | 7.77 | 0.14 | 0.33 | 0.65 | @ |
| | | (49.00%) | (14.51) | (6.32) | (27.34) | (27.07) | @ |

# unaudited for current year and audited for previous period

@ Details not received from Government Department

Previous period figures are given in brackets.

### 43 Corporate Insolvency Resolution Process(CIRP) Cost

CIRP cost incurred during the Year ended 31.03.2018

| Transaction | 31.03.2018 |
|---|---|
| Fees to Resolution Professional (RP) | 0.49 |
| Advisor to RP | 6.15 |
| Counsel to RP | 1.90 |
| Other Professional Fees | 2.92 |
| Other Misc. Exp. (Including Meeting & communication Exp.) | 0.85 |
| Interest, processing fees to ECL Finance Ltd. | 11.82 |
| **Total CIRP Cost** | **24.13** |

### 44 Share based payments

Pursuant to the ESOS scheme 2010, the Company granted 23,044,650 options on 28 September 2013. At an exercise price of Rs.10/- each, out of which 17,116,500 options were outstanding as on 31.03.2016 and same have been lapsed on 28th September 2016. This has been noted in the Board Meeting dated 13.12.2016. Thereafter there are no options granted to the employees.

### 45 Earnings per share (EPS)

| | Transaction | 31.03.2018 | 31.03.2017 |
|---|---|---|---|
| a. | Face value of equity shares per share (in Rupees) | 10 | 10 |
| b. | **Basic and Diluted EPS** | | |
| | Net profit available for equity shareholders (in Rs. Crores) | (18,215.61) | (3,502.43) |
| | Weighted average number of equity shares - Basic (Nos.) | 135,79,41,329 | 135,78,58,513 |
| | Basic EPS (in Rs.) | (134.14) | (25.79) |
| | | | |
| | Weighted average number of equity shares - Diluted (Nos.) | 135,79,41,329 | 135,78,58,513 |
| | Diluted EPS (in Rs.) | (134.14) | (25.79) |

## 46 Disclosures Pursuant to – "Employee benefits":

i) Defined contribution plans:

Amounts recognized in the Statement of Profit and Loss under the head Employee Benefits Expense towards contributions to Provident Fund, and other similar funds by the Company are Rs. 4.57Crores (Previous year Rs. 4.77Crores).

ii) Defined benefit plans:

**a) Gratuity Plan:** The Company makes annual contribution to the Employee's Group Gratuity Assurance Scheme, a funded defined benefit plan for qualifying employees. The Fund invests in the scheme of insurance with the Life Insurance Corporation of India, First Life Insurance Company Limited, SBI Life Insurance Company Limited and Canara HSBC Oriental Bank of Commerce. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.

**b) Compensated absences:** Employees' entitlement to compensated absences in future periods based on leaves not availed as at balance sheet date, as per the policy of the Company, is expected to be a long term benefit and is actuarially valued.

The following table sets out the status of the gratuity plan for the year ended 31 March 2018 as required under Ind AS 19.

(Rs. in crores)

| | Particulars | Gratuity (funded) as on 31 March 2018 | Gratuity (funded) as on 31 March 2017 |
|---|---|---|---|
| **I.** | **Change in Defined Benefit Obligation** | | |
| | Opening Defined Benefit Obligation | 40.39 | 36.21 |
| | Current Service Cost | 6.34 | 5.80 |
| | Interest Cost | 2.99 | 2.86 |
| | Actuarial (Gain) | (14.10) | 0.22 |
| | Past Service cost – Vested Benefit | 3.15 | - |
| | Benefits Paid | (3.21) | (4.70) |
| | Closing Defined Benefit Obligation | **35.56** | **40.39** |
| | | | |
| **II.** | **Change in Fair Value of Plan Assets** | | |
| | Opening Fair value of Plan Assets | 12.88 | 13.17 |
| | Expected Return on Plan Assets | 0.95 | 1.04 |
| | Actuarial gain/(loss) | (0.64) | (0.15) |
| | Contribution by Employer | 0.19 | 3.53 |
| | Benefits Paid | (3.21) | (4.70) |
| | Closing fair value of plan assets | **10.17** | **12.88** |
| | | | |
| **III.** | **Net Liability recognised in the Balance Sheet** | **25.39** | **27.51** |
| | | | |
| **IV.** | **a) Expense recognised in statement of Profit and Loss** | | |
| | Current Service Cost | 6.34 | 5.80 |
| | Past Service Cost | 3.16 | - |
| | Loss/(Gain) on Settlement | - | - |
| | Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset) | 2.03 | 1.82 |
| | **Total included in employment expenses** | **11.53** | **7.61** |
| | **b) Included in other Comprehensive Income** | (13.46) | 0.38 |

| | Particulars | Gratuity (funded) as on 31 March 2018 | Gratuity (funded) as on 31 March 2017 |
|---|---|---|---|
| **V.** | **Actual return on Plan Assets** | 0.20 | 0.88 |
| **VI.** | **Investments details** (Invested through Trustees of Alok Industries Limited Employees Group Gratuity Assurance Scheme) : | | |
| | Insurer Managed Funds | 10.17 | 12.88 |
| | | 100.00% | 100.00% |
| **VII.** | **The assumptions used in accounting for the gratuity are set out below:** | | |
| | Discount rate | 7.35% | 7.40% |
| | Rate of increase in compensation levels of covered employees | 6% | 9.00% |
| | Expected Rate of return on plan assets * | 7.35% | 7.40% |
| | Mortality rate | 100% | 100% |
| | Attrition / withdrawal rate | 20% | 4% |
| **VIII.** | **Future contribution :** | | |
| | Amount expected to be contributed in the next 12 months | 29.46 | 34.96 |

* Expected rate of return on plan assets is based on expectation of the average long term rate of return expected to prevail over the estimated term of the obligation on the type of the investments assumed to be held by respective insurance companies, since the fund is managed by Insurer. The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotions and other relevant factors.

**Experience Adjustments:** (Rs. in crores)

| Particulars | Period / Year Ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 30-Sep-13 |
| Defined benefit obligation | 35.56 | 40.39 | 36.21 | 32.01 | 24.94 |
| Plan Assets | 10.17 | 12.88 | 13.16 | 15.56 | 12.51 |
| Surplus / (Deficit) | (25.39) | (27.51) | (23.05) | (16.45) | (12.43) |
| Experience Adjustments on Plan Liabilities | (4.18) | (2.35) | (0.96) | (4.93) | (1.52) |
| Experience Adjustments on Plan Assets | | | (0.29) | 0.69 | (0.06) |

**Asset Allocation:**

Since the investments are held in the form of deposit with the fund managers, these are not volatile and the market value of assets is the cost value of assets and has been accordingly considered for the above disclosure.

**Sensitivity Analysis:**

(Rs. in crores)

| Particulars | 31-Mar-18 | 31-Mar-17 |
|---|---|---|
| Defined Benefit Obligation(Base) | 35.56 | 40.39 |

(Rs. in crores)

| Particulars | 31-Mar-18 | | 31-Mar-17 | |
|---|---|---|---|---|
| | Decrease | Increase | Decrease | Increase |
| Discount Rate(-/+1%)<br>(% change compared to base due to sensitivity) | 37.10<br>*4.3%* | 34.15<br>*-4.0%* | 46.39<br>*14.8%* | 35.48<br>*-12.2%* |
| Salary Growth Rate (-/+1%)<br>(% change compared to base due to sensitivity) | 34.21<br>*-3.8%* | 37.00<br>*4.0%* | 35.90<br>*-11.1%* | 45.67<br>*13.1%* |
| Attrition Rate(-/+50% of attrition rates)<br>(% change compared to base due to sensitivity) | 34.57<br>-2.8% | 35.76<br>0.5% | 41.96<br>3.9% | 39.25<br>-2.8% |
| Mortality Rate(-/+10% of mortality rates)<br>(% change compared to base due to sensitivity) | 35.56<br>0.0% | 35.56<br>0.0% | 40.41<br>0.0% | 40.38<br>0.0% |

**Maturity Profile of Defined Benefit Obligation**

(Rs. in crores)

| Expected cash flows over the next (valued on undiscounted basis): | Amount |
|---|---|
| 1 year | 8.62 |
| 2 to 5 years | 21.60 |
| 6 to 10 years | 13.06 |
| More than 10 years | 7.48 |

**47 Segment Information:**

The Company has presented data relating to its segments based on its consolidated financial statements, which are presented in the same annual report. Accordingly, in terms of the provisions of Indian Accounting Standard (Ind AS) 108 “Operating Segments”, no disclosures related to segments are presented in these stand-alone financial statements.

**48 Capital Management and Financial Management Framework:**

The Company was admitted under the Corporate Insolvency Resolution Process (CIR) Process as per provision of the Insolvency and Bankruptcy Code 2016 (the Code) on 18 July 2017.and Mr. Ajay Joshi has been appointed as the Resolution Professional (RP) in terms of the Code.

A resolution Plan submitted by JM ARC and Reliance Industries has been approved by the Committee of Creditors (CoC) in their meeting held on 20 June 2018 by the requisite votes and an application for approval of the Resolution Plan by the Hon’ble NCLT has been filed by the RP. The said application is currently under adjudication.

If and when the Resolution Plan is approved by the Hon’ble NCLT, the resultant changes in the Capital Structure of the company would be known and the new management would then take steps to implement the same. The framework and the strategies for effective capital management, thus, will be established post the implementation of the Resolution Plan.

Presently, the Capital and Financial Management activities are restricted to management of current assets and liabilities of the company and the day to day cash flow. The company is focused on realization of receivables and inventory management to unlock, to the extent possible, funds blocked in the current assets of the company.

**Debt-to-equity ratio are as follows:**

(Rs. in crores)

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Debt (A) | 26,220.64 | 24,139.82 |
| Equity (B) | (15,200.53) | 2,995.73 |
| Debt / Equity Ratio (A / B) | N.A. | 8.06 |

Similarly, the financial risk profile and the strategies for mitigation of such risks will be established by the new management post the implementation of the Resolution Plan. The key risks associated with day to day operations of the company and working capital management are provided below:

**A. Credit Risk:**

Credit risk is the risk that counter party will not meet it obligation under a financial instrument or customer contract leading to a financial loss. The Company expose to credit risk mainly from trade receivables and other financial assets.

**i) Trade Receivables:**

Customer credit is managed by each business division subject to the Company's established policy procedures and control related to customer credit risk management.

The Company considers its export related debtors as low risk area. Most of its export customers are reputed international parties / traders. The major portions of exports are against Letter of Credit and only with old and reputed customers it's on DA/ DP basis. In some cases, insurance cover on export outstanding is also taken.

During the financial year, the Company discontinued its business of trading in fabrics with effect from 01 July 2017. The Management has informed the RP that the trading business with a highly fragmented customer base experienced significant tightening of liquidity and has resulted into continuing payment defaults by customers. The Company has written off Rs. 585.51 crores and made provision for the entire balance amount of outstanding trading debtors of Rs. 10,952.51 crores during the year as per the Accounting policy followed by the Company.

In compliance with his duties under the Code, the RP has made an application under Section 60(5) seeking directions of the Adjudicating Authority for further steps in this matter. The said application is currently pending adjudication before the Adjudicating Authority.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

(Rs. in crores)

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Expected loss rate | -98.16% | -1.29% |
| Gross carrying amount | 11,289.74 | 10,070.33 |
| Loss allowance provision | (11,082.38) | (129.87) |

**Reconciliation of loss allowance provision for Trade Receivables**

(Rs. in crores)

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Balance as at beginning of the year | 129.86 | 3060.95 |
| Impairment losses recognised in the year based on lifetime expected credit losses | 11538.02 | 118.30 |
| Amounts written off during the year as uncollectible | 585.51 | 3049.39 |
| Amounts recovered during the year | - | - |
| Balance at end of the year | 11,082.37 | 129.86 |

**ii) Other Financial Assets**

Presently, other financial assets comprise of Fixed Deposits as margin for Letter of Credit/ Bank guarantees, Export incentives, GST refund / rebate on Exports receivable, advance given to vendors etc. These are considered as low risk items in the in the normal course of business and are subject to operational controls deemed sufficient by senior management.

### B. Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks – interest rate risk, currency risk and other price risk in a fluctuating market environment. Financial instrument affected by market risks includes loans and borrowings, deposits, derivatives and other financial assets. Since the company is presently under the CIR process it is not required to meet any loan or interest obligation till the Resolution Plan is implemented if and when approved.

#### i) Currency Risk

This is the risk that the Company may suffer losses as a result of adverse exchange rate movement during the relevant period. The Company has exports and to that extent it has natural hedge to cover foreign exchange risk on account of imports. Thus to that extent it is able to mitigate fluctuations in currency rates. The company being under the CIR Process, it has no limits available to enter into derivative contracts for mitigation of currency risk on its net exposure.

**Foreign Currency Sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

| Currency | Change in rate (upward) | Effect on profit before tax | | Change in rate (downward) | Effect on profit before tax | |
|---|---|---|---|---|---|---|
| | | 31.03.2018 | 31.03.2017 | | 31.03.2018 | 31.03.2017 |
| AED | +5% | (5.26) | (1.98) | -5% | 5.26 | 1.98 |
| BDT | +5% | (0.00) | 0.00 | -5% | (0.00) | (0.00) |
| CHF | +5% | 0.02 | 0.03 | -5% | (0.02) | (0.03) |
| DKK | +5% | (0.00) | (0.00) | -5% | 0.00 | 0.00 |
| Euro | +5% | (1.04) | (15.14) | -5% | 1.04 | 15.14 |
| GBP | +5% | (3.92) | (0.00) | -5% | 3.92 | 0.00 |
| HKD | +5% | (0.00) | (0.00) | -5% | 0.00 | 0.00 |
| JPY | +5% | 0.05 | 0.04 | -5% | (0.05) | (0.04) |
| LKR | +5% | (0.00) | (0.00) | -5% | (0.00) | 0.00 |
| SGD | +5% | (0.00) | (0.00) | -5% | 0.00 | 0.00 |
| USD | +5% | (61.95) | (28.57) | -5% | 61.95 | 28.57 |

P&L impact during the year including impact on fixed assets and unhedged exposure is as follows:

Impact on P&L of Rs. 72.11 crore (negative if change in rate is upward), on Fixed Assets of Rs. 52.18 crores (positive if change in rate is upward)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

#### ii) Interest rate risk

In the normal circumstances, the Company manages interest rate risk by having a balanced portfolio of fixed and variable rate of interest on loans and borrowings. However, since the company is presently under CIR Process, it is not required to meet any interest obligation till the final resolution is reached.

**Interest rate sensitivity**

Not relevant as explained above.

**iii) Investment in Equity Price Risk**

The Company is exposed to normal risks associated with equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments. During the year the company has made provision for diminution in value of its investments in subsidiary companies amounting to Rs. 27.10 crore (Previous year Rs. 132.69 crore).

**C. Liquidity Risk:**

**i) Liquidity risk management**

Being under the CIRP, the company does not have any sources of funds infusion save for the Interim Finance of Rs. 150 Crores raised in September 2017 and short term loan of Rs. 20 Crores from State Bank of India prior to commencement of the CIR process. The company has to manage its cash flows on a day to day basis to maintain operations that for the most of the year have been about 30% Capacity Utilization. The company is dependent upon timely receipt of sales proceeds and delays in sales realizations can severely impact the current level of operations.

**ii) Maturities of financial liabilities**

Since the company is presently under CIR Process, it is not required to meet any loan repayment or interest obligation.

In the normal circumstances the obligation of the company towards financial liabilities would have been as under: (Rs. in crores)

| Particulars | On Demand | Less Than 1 Year | 1-2 Years | 2-3 Years | 3-4 Years | Beyond 4 Years | Total |
|---|---|---|---|---|---|---|---|
| **(a) Non Derivative financial instruments** | | | | | | | |
| **Long term borrowings** | | | 1,184.84 | 1,168.00 | 1,109.85 | 3,660.53 | 7,123.21 |
| | | | (1,749.14) | (1,377.42) | (1,087.62) | (4,741.96) | (8,956.13) |
| **Short term borrowings** | | | | | | | - |
| Cash Credit Facilities/Working Capital Loan | 9,653.52 | | | | | | 9,653.52 |
| | (9,069.72) | | | | | | (9,069.72) |
| Pre-shipment, Post-shipment facilities | 183.17 | | | | | | 183.17 |
| | (349.34) | | | | | | (349.34) |
| Bill Discounting with Bank | 70.84 | | | | | | 70.84 |
| | (103.66) | | | | | | (103.66) |
| Overdue/Recalled Loans & Other Loans | 7,225.80 | - | | | | | 7,225.80 |
| | (3,792.10) | (75.50) | | | | | (3,867.60) |
| **Trade payables** | | | | | | | |
| Trade payables-Micro and small enterprises | | 11.91 | | | | | 11.91 |
| | | (12.55) | | | | | (12.55) |
| Trade payables-other than micro and small enterprises | | 630.41 | | | | | 630.41 |
| | | (779.36) | | | | | (779.36) |
| Acceptances | | 143.93 | | | | | 143.93 |
| | | (253.24) | | | | | (253.24) |
| **Other financial liabilities** | | | | | | | |
| Deposits from dealers and agents | 6.39 | | | | | | 6.39 |
| | (20.51) | | | | | | (20.51) |
| Deposits against rental arrangements | 3.16 | | | | | | 3.16 |
| | (4.20) | | | | | | (4.20) |
| Current maturities of long-term debt | | 1,951.73 | | | | | 1,951.73 |
| | | (1,793.81) | | | | | (1,793.81) |
| Interest accrued on borrowings | 6,210.10 | 10.07 | | | | | 6,220.17 |
| | (3,544.95) | (4.05) | | | | | (3,549.00) |
| Other Interest accrued | 14.72 | | | | | | 14.72 |
| | (13.05) | | | | | | (13.05) |
| Unclaimed/Unpaid dividends | 0.86 | | | | | | 0.86 |
| | (0.86) | | | | | | (0.86) |
| Creditors for Capital Supplies/Services | | 27.41 | | | | | 27.41 |
| | | (31.16) | | | | | (31.16) |
| **Other current liabilities** | 336.19 | | | | | | 336.19 |
| | (439.65) | | | | | | (439.65) |
| | **23,704.71** | **2,775.45** | **1,184.84** | **1,168.00** | **1,109.85** | **3,660.53** | **33,603.38** |
| | **(17,338.04)** | **(2,949.66)** | **(1,749.14)** | **(1,377.42)** | **(1,087.62)** | **(4,741.96)** | **(29,243.84)** |

### iii) Financing arrangements

Since the company is presently under CIR Process, no banking facilities were available to the company save for the Interim Finance raised of Rs. 150 Crores and a short term loan of Rs. 20 Crores raised prior to the commencement of the CIR Process.

### iv) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(Rs. in crores)

| **(a) Non Derivative financial instruments** | | | | |
|---|---|---|---|---|
| | | **Trade Receivables (Net of Provisions)** | **Other Bank Balances** | **Total** |
| On Demand | 2017-18 | 149.48 | - | 149.48 |
| | 2016-17 | (7,498.14) | - | (7,498.14) |
| Less Than 1 Year | 2017-18 | 57.88 | 160.52 | 218.43 |
| | 2016-17 | (2,442.32) | (265.80) | (2,708.12) |
| 1-2 Years | 2017-18 | - | - | - |
| | 2016-17 | - | (0.29) | (0.29) |
| 2-3 Years | 2017-18 | - | 0.02 | 0.02 |
| | 2016-17 | - | (0.02) | (0.02) |
| Beyond 3 Years | 2017-18 | - | 0.66 | 0.66 |
| | 2016-17 | - | (0.62) | (0.62) |
| **Total** | **2017-18** | **207.36** | **161.23** | **368.59** |
| | **2016-17** | **(9,940.46)** | **(266.73)** | **(10,207.19)** |

## 49 Fair value Measurement

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements.

(Rs. in crores)

| **Sr. No.** | **Particulars** | **Carrying value** | | **Fair value** | |
|---|---|---|---|---|---|
| | | **31 March 2018** | **31 March 2017** | **31 March 2018** | **31 March 2017** |
| | **Financial Asset** | | | | |
| **(a)** | **Carried at amortised cost** | | | | |
| (i) | Trade receivable | 207.36 | 9,940.46 | 207.36 | 9,940.46 |
| (ii) | Security deposits | 5.40 | 7.63 | 5.40 | 7.63 |
| (iii) | Loans to related parties | (0.00) | 487.61 | (0.00) | 487.61 |
| (iv) | Other receivables | 2.64 | 7.95 | 2.64 | 7.95 |
| (v) | Cash and cash equivalent | 43.66 | 80.15 | 43.66 | 80.15 |
| (vi) | Other financial assets | 149.91 | 260.06 | 149.91 | 260.06 |
| | **Financial Liabilities** | | | | |
| **a)** | **Carried at amortised cost** | | | | |
| (i) | Borrowings | 26,220.64 | 24,140.27 | 26,220.64 | 24,140.27 |
| (ii) | Trade payable | 786.25 | 1,045.15 | 786.25 | 1,045.15 |
| (iii) | Other payables | 6,263.16 | 3,594.96 | 6,263.16 | 3,594.96 |

The Company maintains policies and procedures to value financial assets or financial liabilities using the most relevant data available. In addition, the Company as and when required, also engages independent pricing advisors to assist in corroborating the valuations of certain instruments.

The fair value of the financial assets and liabilities are included at the amount at which the instrument that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

i) Fair value of security deposits have been estimated using a DCF model. The valuation requires management to make certain assumptions about interest rates, maturity period, credit risk, forecasted cash flows.

ii) Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the company based on parameters such as interest rates, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables. As of reporting date the carrying amounts of such receivables, net of allowances are not materially different from their calculated fair values.

iii) Carrying value of loans from banks, other noncurrent borrowings and other financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The own non-performance risk as at reporting date was assessed to be insignificant.

**Fair value hierarchy**

The following table provides the fair value measurement hierarchy of Company's assets and liabilities grouped into Level 1 to Level 3 as described in significant accounting policies - Note 1(j). Further table describes the valuation techniques used, key inputs to valuations and quantitative information about significant unobservable inputs for fair value measurements.

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018:**

Rs. in Crores

| Sr. No. | Particulars | Fair value measurement using | | | Valuation technique used | Inputs used |
|---|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | | |
| | **Assets and liabilities for which fair values are disclosed** | | | | | |
| **(a)** | **Financial assets measured at amortised cost** | | | | | |
| (i) | Investment in preference shares | | -<br>(-) | | Discounted cash flows | Forecast cash flows, discount rate, maturity |
| (ii) | Security deposits | | 5.40<br>(7.63) | | | |
| (iii) | Loans to related parties | | -<br>(487.61) | | | |
| (iv) | Other receivables | | 2.64<br>(7.95) | | | |
| **(b)** | **Financial liability measured at amortised cost** | | | | | |
| (i) | Borrowings | | 26,220.64<br>(24,140.26) | | Discounted cash flows | Forecast cash flows, discount rate, maturity |
| (ii) | Security deposits | | -<br>(-) | | | |
| (iii) | Other payables | | 6,263.16<br>(3,594.96) | | | |

(Previous year figures given in brackets)

During the year ended 31 March 2018 and 31 March 2017 there were no transfers between level 1 and level 2 fair value measurements and no transfers into and out of level 3 fair value measurement.

The management assessed that cash and cash equivalents, trade receivables, trade payables, cash credit and all other current financial assets and liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Receivables are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- The fair value of loans from banks and other financial liabilities, security deposit, as well as other financial liabilities is presently considered same as carrying value as the eventual capital structure and associated attributes to determine fair value will be known only when the Resolution Plan is implemented. The Company being under the CIR Process, the treatment of the loans shall be in accordance with the resolution plan and therefore it is not possible to forecast what would be the carrying value of the loans for applying fair value measurement.
- The fair values of the unquoted equity instruments have been estimated using a net adjusted fair value method. The valuation requires management to make certain assumptions about the assets, liabilities, investments of Investee Company. The probabilities of the various assumptions can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments based on the best information available to the Company.
- The fair values of quoted equity instruments are derived from quoted market prices in active markets.
- The Company presently has not entered into any foreign exchange forward contracts.
- Since the company is under CIR Process, there is no obligation to service borrowings. Interest on all borrowings is being accrued as per the interest rate prevailing on the date of the commencement of CIRP viz 18th July 2017. All the four documents contain lot of factual data as well as discussion on economy and those which does not entail any interpretation and therefore we do not expect you to make any changes there.

**50 Operating Lease**

The Company has lease agreement for various premises which are in the nature of operating lease. The tenure of Lease arrangement ranges up to 1 year which are cancellable lease. There is no obligation for renewal of these lease agreements and are renewable by mutual consent. Lease payment recognised in the Statement of Profit & Loss is Rs. 9.42crores (previous year Rs. 8.30 crores).

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

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

(Rs. in crores)

| Name of the Company | Balance as at 31-Mar-18 | Maximum balance during year ended 31-Mar-18 | Balance as at 31-Mar-17 | Maximum balance during year ended 31-Mar-17 |
|---|---|---|---|---|
| | (Net off provisions) | | (Net off provisions) | |
| Alok Infrastructure Limited | 936.92 | 1,325.61 | 994.48 | 1,207.45 |
| Alok Industries International Limited | - | 2.49 | (0.25) | 5.14 |
| Alok International Inc. | - | 316.11 | 145.15 | 302.88 |
| Alok Singapore Pte Ltd | - | 25.36 | 25.16 | 26.37 |
| Alok International (Middle East) FZE | - | 52.34 | 52.34 | 59.50 |
| Alok Worldwide Limited | - | 861.95 | 264.82 | 875.60 |
| Alok Global Trading (ME) FZE | - | 60.61 | 0.25 | 62.69 |
| Grabal Alok International Limited | - | 0.13 | 0.13 | 0.13 |
| Grabal Alok (UK) Ltd | - | 76.35 | 0.01 | 0.01 |
| Triumphant Victory Holdings Limited | - | 238.29 | 0.00 | 238.29 |

b. Investments made – Refer Note No. 5

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

| Sr. No. | Name of the Company | 31-Mar-18 | 31-Mar-17 |
|---|---|---|---|
| i. | Grabal Alok (UK) Limited* | - | 96.57 |
| ii. | Alok International (Middle East) FZE ** | - | 36.04 |
| | **Total** | - | 132.61 |

**Note:**

* During the year on 02.03.2018 the guarantee given for Grabal Alok (UK) Ltd. of USD 14.50 million equivalents to Rs. 96.57 crore was invoked by lender and converted to loan in the books of Alok Industries Ltd.

** During the year on 01.07.2017 the Company received demand notice from lender of Alok International (Middle East) FZE for guarantee given and demanded the outstanding amounts of USD 5.70 million equivalent to Rs. 36.04 crore and the same now converted to loan in the books of Alok Industries Ltd.

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

**52 Corporate Social Responsibility**

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

A CSR committee has been formed by the company as per the Act. For the current financial year 2017-18, as the average profits for the last three years is negative, the Company does not have to spend any amount on CSR.

| Sr. No. | Particulars | Rs. In Crore |
|---|---|---|
| a | Gross amount required to be spent by the company (pertaining to year 2015-16) | 13.05 |
| b | Amount spent till date | - |

The Company has not been able to spend any amount towards CSR due to paucity of funds/the company having been admitted for a CIRP.

**53** In view of the liquidity crunch since 2014, the Company has stopped paying debenture interest and such interest payment is due for a period beyond one year as at the Balance Sheet date. A clarification was sought by the Regional Director, Ministry of Company Affairs (RD), amongst others, as to why this non-payment for financial year ending 31.03.2016, should not be treated as a violation of Section 164(2) and 167 of the Companies Act, 2013. The Company responded that it had availed financial assistance by way of issuance of non-convertible redeemable debenture on a private placement basis and not a public issue. The Company further stated that a close reading of Section 164(2) would reveal that its provisions would be attracted when the Company accepts debentures and deposits from many (i.e. public at large) and not from a single entity on a private placement basis. Accordingly, directors retiring by rotation at the ensuing Annual General Meeting and eligible for reappointment, continue to render themselves eligible for such reappointment.

**54 Impairment of fixed assets**

The Company current level of operations, at about 30% of the capacity, may not be an indication of the future performance of the Company. A Resolution Plan for revival of the Company is under consideration of the Adjudicating Authority. Therefore, until a resolution plan has been implemented, reliable projections of availability of future cash flows of the Company supporting the carrying value of Property, Plant and Equipment cannot be determined, hence are not available. Accordingly Impairment testing under Ind AS has not been performed while presenting these results.

## 55 Unhedged foreign currency exposure

The Company did not take any derivative instruments during the current year / previous year.

Particulars of unhedged foreign currency exposures are as follows: (Rs. in crores)

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|---|---|---|
| Trade Receivables | 107.32 | 137.65 |
| Loans & Advances | 15.96 | 1,517.21 |
| Borrowings | 2,359.95 | 2,077.27 |
| Trade Payables | 132.35 | 185.15 |
| Current Liabilities | 116.79 | 304.59 |

Since the company did not enjoy applicable bank limits, the company has not entered into any derivative contracts during the year and the previous year.

## 56 Reconciliation of provisions

### a) Reconciliation of loss allowance provision for Investments

(Rs. in crores)

| Particulars | 31-Mar-18 | 31-Mar-17 |
|---|---|---|
| Balance as at beginning of the year | 187.44 | 54.75 |
| Impairment losses recognised in the year | 27.10 | 132.69 |
| Amounts written off during the year as uncollectible | - | - |
| Balance at end of the year | 214.54 | 187.44 |

### b) Reconciliation of loss allowance provision for Loans to subsidiaries

(Rs. in crores)

| Particulars | 31-Mar-18 | 31-Mar-17 |
|---|---|---|
| Balance as at beginning of the year | 1,015.67 | - |
| Impairment losses recognised in the year | 510.35 | 1,015.67 |
| Amounts written off during the year as uncollectible | - | - |
| Amounts recovered during the year | - | - |
| Balance at end of the year | 1,526.02 | 1,015.67 |

### c) Reconciliation of loss allowance provision for Loans to Alok Infra

(Rs. in crores)

| Particulars | 31-Mar-18 | 31-Mar-17 |
|---|---|---|
| Balance as at beginning of the year | 212.97 | - |
| Impairment losses recognised in the year | 129.56 | 212.97 |
| Amounts written off during the year as uncollectible | - | - |
| Amounts recovered during the year | - | - |
| Balance at end of the year | 342.53 | 212.97 |

## d) Reconciliation of loss allowance provision for Interest Subsidy receivable

(Rs. in crores)

| Particulars | 31-Mar-18 | 31-Mar-17 |
|---|---|---|
| Balance as at beginning of the year | 31.37 | 25.19 |
| Provision for doubtful receivables recognised in the year | 4.04 | 6.18 |
| Amounts written off during the year as uncollectible | | - |
| Amounts recovered during the year | - | - |
| Balance at end of the year | 35.42 | 31.37 |

## e) Reconciliation of loss allowance provision for Service Tax receivable

(Rs. in crores)

| Particulars | 31-Mar-18 | 31-Mar-17 |
|---|---|---|
| Balance as at beginning of the year | 32.02 | - |
| Provision for doubtful receivables recognised in the year | - | 32.02 |
| Amounts written off during the year as uncollectible | 32.02 | - |
| Amounts recovered during the year | - | - |
| Balance at end of the year | - | 32.02 |

## f) Reconciliation of loss allowance provision for ICD Given

(Rs. in crores)

| Particulars | 31-Mar-18 | 31-Mar-17 |
|---|---|---|
| Balance as at beginning of the year | 0.66 | - |
| Provision for doubtful receivables recognised in the year | - | 0.66 |
| Amounts written off during the year as uncollectible | - | - |
| Amounts recovered during the year | | - |
| Balance at end of the year | 0.66 | 0.66 |

## g) Reconciliation of loss allowance provision for Export Incentives Receivable

(Rs. in crores)

| Particulars | 31-Mar-18 | 31-Mar-17 |
|---|---|---|
| Balance as at beginning of the year | 2.58 | 2.13 |
| Provision for doubtful receivables recognised in the year | 0.43 | 0.45 |
| Amounts written off during the year as uncollectible | - | - |
| Amounts recovered during the year | 2.58 | - |
| Balance at end of the year | 0.43 | 2.58 |

## h) Reconciliation of loss allowance provision for Advance to vendors

(Rs. in crores)

| Particulars | 31-Mar-18 | 31-Mar-17 |
|---|---|---|
| Balance as at beginning of the year | 1.64 | - |
| Provision for doubtful receivables recognised in the year | | 1.64 |
| Amounts written off during the year as uncollectible | - | - |
| Amounts recovered during the year | 1.13 | - |
| Balance at end of the year | 0.51 | 1.64 |

## 57 Reconciliation of tax

A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows

(Rs. in crore)

| Particulars | For the year ended | |
|---|---|---|
| | 31-Mar-18 | 31-Mar-17 |
| Profit/(loss) before tax | - | - |
| Enacted tax rate in India | 34.608% | 34.608% |
| **Expected income tax expense / (benefit) at statutory tax rate** | - | - |
| **Tax Effect of** | | |
| Exempted Income | - | - |
| Expenses allowed | - | - |
| Expenses disallowed | - | - |
| Effect of tax pertaining to prior years | 15.85 | (29.18) |
| **Current Tax Provision (A)** | **15.85** | **(29.18)** |
| Incremental Deferred Tax Liability | - | - |
| Incremental Deferred Tax Asset | (4.66) | (2,094.48) |
| **Deferred Tax Provision (B)** | **(4.66)** | **(2,094.48)** |
| Tax Expenses recognised in statement of Profit and Loss (A+B) | 11.19 | (2,123.66) |
| **Effective Tax rate** | - | - |

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

Signatures to Notes 1 to 58
As per our report of even date attached

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

**D. V. Ballal**
Partner
M. No.: 013107

Place: Mumbai
Date: 10 August 2018

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

**Devdas Bhat**
Partner
M. No.: 048094

For and on behalf of the Board

**Sunil O. Khandelwal**
(Chief Financial Officer)

**K. H. Gopal**
(Company Secretary)

Taken on record

**Ajay Joshi**
(Resolution Professional)

Place: Mumbai
Date: 10 August 2018

## FINANCIAL INFORMATION RELATING TO SUBSIDIARY COMPANIES FOR THE PERIOD ENDED 31 MARCH 2018

(Rs. in crore)

| 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 | Other Comprehensive income |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Alok International Inc. | USD | 0.00 | (499.77) | 123.38 | 623.15 | - | - | (473.21) | - | (473.21) | - |
| 2 | Alok Singapore Pte Ltd. (* Rs. 49.00/-) | USD | 0.00 | (119.55) | 16.56 | 136.11 | - | 0.05 | 364.49 | - | - | (1.83) |
| 3 | Alok International (Middle East) FZE | AED | 1.31 | (9.33) | 44.00 | 52.02 | - | 7.68 | (13.17) | - | (13.17) | 0.16 |
| 4 | Alok Infrastructure Limited | INR | 0.05 | (786.44) | 1,024.56 | 1,810.95 | (0.00) | 0.69 | (213.72) | - | (213.72) | - |
| 5 | Grabal Alok International Limited** | USD | 71.03 | (558.90) | 124.25 | 612.13 | - | - | (0.45) | - | (0.45) | 1.54 |
| 6 | Grabal Alok (UK) Limited | GBP | - | - | - | - | - | - | (30.81) | - | (30.81) | - |
| 7 | Alok Industries International Limited | USD | 0.22 | (1,667.56) | 163.76 | 1,831.10 | - | - | (335.29) | - | (335.29) | 5.02 |
| 8 | Mileta, a.s. | CZK | 73.03 | 47.53 | 256.99 | 136.43 | - | 179.75 | 7.83 | (0.76) | 8.60 | - |
| 9 | Alok Worldwide Limited (*Rs. 6,252/-) | USD | 0.00 | 1.11 | 852.82 | 851.71 | - | 0.64 | 0.00 | - | 0.00 | (0.01) |
| 10 | Alok Global Trading (Middle East) FZE (* Rs. 16,985/-) | AED | - | 0.00 | - | - | - | 0.04 | 135.51 | - | 135.51 | (0.75) |

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 | 65.0441 | 64.4474 |
| 2 | AED | 17.6488 | 17.5614 |
| 3 | CZK | 3.1573 | 3.1573 |

** Capital Including Preference share capital of Rs. 70.81 Crores

# FORM AOC-1

**To the Financial Statements for the year ended 31st March, 2018**

**Statement containing salient features of the financial statement of subsidiaries/ joint ventures**

**Part "A": Subsidiaries** (Rs. in crores)

| | | Name of the subsidiary | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **Alok Infra-structure Limited** | **Alok World Wide Limited** | **Alok Singapore Pte Ltd.** | **Alok In-ternation-al (middle east) FZE** | **Alok Global Trading (Middle East) FZE** | **Alok Interna-tional, Inc.** | **Alok Industries Interna-tional Limited** | **Grabal Alok Interna-tional Limited** | **Mileta a.s** | **Grabal Alok (UK) Limited** |
| 1 | Reporting Period | April - March | April - March | April - March | April - March | April - March | April - March | April - March | April - March | April - March | April - March |
| 2 | Share Capital | 0.05 | 0.00 | 0.00 | 1.31 | - | 0.00 | 0.22 | 71.03 | 73.03 | - |
| 3 | Reserves & Surplus | (786.44) | 1.11 | (119.55) | (9.33) | - | (499.77) | (1,667.56) | (558.90) | 47.53 | - |
| 4 | Total Assets | 1,024.56 | 852.82 | 16.56 | 44.00 | - | 123.38 | 163.76 | 124.25 | 256.99 | - |
| 5 | Total liabilities | 1,810.95 | 851.71 | 136.11 | 52.02 | - | 623.15 | 1,831.10 | 612.13 | 136.43 | - |
| 6 | Investments | (0.00) | | | | | - | | | | |
| 7 | Turnover | 0.69 | 0.64 | 0.05 | 7.68 | 0.04 | - | - | - | 179.75 | - |
| 8 | Profit/(Loss) before taxation | (213.72) | 0.00 | 364.49 | (13.17) | 135.51 | (473.21) | (335.29) | (0.45) | 7.83 | (30.81) |
| 9 | Provision for taxation | - | - | - | - | - | - | - | - | (0.76) | - |
| 10 | Profit/ (Loss) after taxation | (213.72) | 0.00 | 364.49 | (13.17) | 135.51 | (473.21) | (335.29) | (0.45) | 8.60 | (30.81) |
| 11 | Other Comprehensive Income | - | (0.01) | (1.83) | 0.16 | (0.75) | - | 5.02 | 1.54 | - | - |
| 12 | Proposed Dividend | - | - | - | - | - | - | - | - | - | - |
| 13 | % of shareholding | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 99.87% |

**Notes:**

1. **Names of Subsidiaries which are yet to commence operations:** NA
2. **Names of subsidiaries which have been liquidated or sold during the year:** Alok Global Trading (Middle East) FZE

## Part "B": Joint Venture

### Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint Ventures

| | | Joint Venture | |
|---|---|---|---|
| | | New City of Bombay Mfg. Mills Ltd. | Aurangabad Textile and Apparel Park Ltd. |
| 1 | Latest audited Balance sheet date | 31.03.2018 | 31.03.2018 |
| 2 | Shares of Joint Ventures held by the Company on the year end | | |
| | i) Number | 4,493,300 | 1,019,200 |
| | ii) Amount of Investment in Joint Venture (Rs. in crores) | 4.49 | 1.02 |
| | iii) Extend of Holding % | 49% | 49% |
| 3 | Description of how there is significant influence | | |
| 4 | Reason why the Joint venture is not consolidated | N.A. | N.A. |
| 5 | Net worth attributable to shareholding as per latest audited Balance Sheet (Rs. in crores) | 69.52 | 15.57 |
| 6 | Profit / (Loss) for the year (Rs. in crores) | | |
| | I) Considered in consolidation | (0.16) | (0.32) |
| | II) Not considered in consolidation | (0.17) | (0.33) |

1. Names of Subsidiaries which are yet to commence operations: **NIL**
2. Names of subsidiaries which have been liquidated or sold during the year: **NIL**

As per our report of even date attached

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

**D. V. Ballal**
Partner
M. No.: 013107

Place: Mumbai
Date: 10 August 2018

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

**Devdas Bhat**
Partner
M. No.: 048094

For and on behalf of the Board

**Sunil O. Khandelwal**
(Chief Financial Officer)

**K. H. Gopal**
(Company Secretary)

Taken on record

**Ajay Joshi**
(Resolution Professional)

Place: Mumbai
Date: 10 August 2018

# CONSOLIDATED FINANCIAL STATEMENTS

# INDEPENDENT AUDITORS' REPORT

**To the Members of Alok Industries Limited**

**Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of Alok Industries Limited (the "Holding Company"), its subsidiaries (the Holding Company and its subsidiaries constitute "the Group"), and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statements of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (the "Consolidated Ind AS Financial Statements").

**Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors / Resolution Professional (RP) is responsible for preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and cash flows of the Group including its jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors / Resolution Professional (RP), as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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

**Basis for Qualified Opinion**

1. *As per Indian Accounting Standard 36 on Impairments of assets, the Holding Company is required to determine impairment in respect of fixed assets as per the methodology prescribed under the said Standard. However the Management of the Holding Company has not done impairment testing for the reasons explained in note no. 61. In the absence of any working for impairment of the fixed assets as per Ind AS 36, the impact of impairment, if any on the consolidated Ind AS financial statements is not ascertainable.*

2. *As mentioned in note no. 44 of the consolidated Ind AS financial statements, the Holding Company continued to recognize deferred tax assets upto March 31, 2017, Rs. 1423.11 crore. Considering the pending NCLT approval for resolution plan and absence of probable certainty and convincing evidence for taxable income in future, as required by the Ind AS – 12, we are unable to ascertain the extent to which these deferred tax assets can be utilized.*

3. *The consolidated Ind AS financial statements include the unaudited Ind AS financial statements of two subsidiaries whose Ind AS financial statements reflect total assets of Rs. 380.37 crores as at 31st March, 2018, total revenue of Rs. 182.10 crores, net cash outflows amounting to Rs. 0.57 crores, net loss after tax of Rs. 464.61 Crores, and total comprehensive loss amounting to Rs. 464.61 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. Our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and jointly controlled entity, is based solely on such unaudited Ind AS financial statements. We are not in a position to comment on the consequential impact, if any, arising out of subsequent audit of these entities, on the consolidated Ind AS financial statements. Our opinion on the consolidated Ind AS financial statements is modified in respect of our reliance on the Ind AS financial statements/ financial information certified by the management. The audit report on the consolidated Ind AS financial statements for the period ended 31st March, 2017 was also qualified in respect of this matter.*

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, and based on the consideration of the reports of the other auditors on the Ind AS financial statements of the subsidiaries, jointly controlled entities referred to below in the Emphasis of Matter paragraph and Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and its jointly controlled entities as at 31st March, 2018, and their consolidated loss and their consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

**Material Uncertainty Related to Going Concern**

1. We draw attention to note no. 36 in the consolidated Ind AS financial statements, which indicates that the Holding Company incurred a net loss of 18,206.82 crores during the year ended March 31, 2018 and, as of that date; the Holding Company's current liabilities exceeded its total assets by 15200.53. As stated in note no. 34, these events or conditions, along with other matters as set forth in note no. 35, indicate that a material uncertainty exists that may cast significant doubt on the Holding Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

2. Independent Auditors of one of the subsidiary company Alok Infrastructure Ltd in their audit report on financial statements for the year ended March 31, 2018 have drawn Material Uncertainty Related to Going Concern paragraphs incorporated by us as under:

   We draw attention to note no. 48(b), which indicates that the Alok Infrastructure Ltd. incurred a net loss of Rs. 213.72 crore during the year ended March 31, 2018 and, as of that date, the Alok Infrastructure Ltd.'s total liabilities exceeded its total assets by Rs. 786.38 crores, these events or conditions, along with other matters as set forth in note no. 48(a), indicate that a material uncertainty exists that may cast significant doubt on the Alok Infrastructure Ltd ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Emphasis of Matter**

On the basis of the facts mentioned in note no. 37 of the consolidated Ind AS financial statements, we are unable to comment on the possible impact on consolidated Ind AS financial statements, related disclosures and our reporting thereon, if any, regarding the said transactions until the final conclusion of the matter. Our opinion is not modified in respect of this matter.

**Other Matter**

1. We did not audit the Ind AS financial statements of seven subsidiaries, whose financial statements reflect total assets of Rs. 2,225.97 crores as at 31st March, 2018, total revenues of Rs. 512.37 crores, net loss after tax of Rs. 62.64 Crores, and total comprehensive income amounting to Rs. 66.76 crores for the year ended on that date, as considered in the consolidated Ind AS Financials Statements. The consolidated Ind AS Financials Statements also include the Group's share of net loss of Rs. 0.49 crores for the year ended 31st March, 2018, as considered in Ind AS consolidated financial statements, in respect of two jointly controlled entities. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entities is based solely on the reports of the other auditors.

**Report on other legal and regulatory requirements**

As required under section 143(3) of the Act, we report, to the extent applicable, that:

1. Except for the matters described in the basis for qualified opinion paragraph, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

2. Except for the effects, if any, of the matters described in the basis for qualified opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Holding Company so far as it appears from our examination of those books.

3. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

4. In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, except for the effects, if any, of the matters described in the basis for qualified opinion paragraph.

5. The matter described under the Emphasis of Matter paragraph, basis for qualified opinion paragraph and Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on functioning of the Group and on the amounts disclosed in Consolidated financial statement of the Holding Company;

6. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 and taken on record by the Resolution Professional, none of the directors are disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164(2) of the Act. Further as explained in the note no. 60 of Ind AS financial statements none of the directors retiring by rotation at the ensuing Annual General Meeting of the Company render themselves ineligible for reappointment in terms of Section 164(2) of the Act.

7. With respect to the adequacy of the Internal Financial Controls with reference to Financial Statements and operating effectiveness of such controls, refer to our separate report in "Annexure A"; which is based on the reports of the auditors' of Holding company, subsidiary companies, and jointly controlled entities incorporated in India. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph in "Annexure A", The Group has, in all material respects, an adequate internal financial controls system; and

8. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact of pending litigation on the consolidated [redacted] position of the Group, and its jointly controlled entities. (Refer note no. 42 to the consolidated Ind AS [redacted] statements).

ii. The Group and its jointly controlled entities did not have any outstanding long-term contract (except [redacted] disclosed under contingent liability) including derivative contract as at 31st March, 2018 for which there [redacted] material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor [redacted] Protection Fund by the Holding Company and its Subsidiaries, and jointly controlled companies [redacted] India.

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

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

Place : Mumbai
Date : August 10, 2018

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

**Devdas V. Bhat**
Partner
M. No. 048094

Place : Mumbai
Date : August 10, 2018

# ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ALOK INDUSTRIES LIMITED

**ANNEXURE" A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ALOK INDUSTRIES LIMITED**

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of Alok Industries Limited ("the Holding Company"), and that of its subsidiary company (the Holding Company and its subsidiary constitute "the Group"), and its jointly controlled entities which are companies incorporated in India, audited by the respective auditors of those companies as of that date.

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

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

**Auditors' Responsibility**

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

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

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

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

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

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

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

**Basis for Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2018:

1. On the basis of the facts mentioned in note no. 37 of the Consolidated Ind AS financial statements, we are unable to comment on the possible impact on Consolidated Ind AS financial statements, related disclosures and our reporting thereon, if any, regarding the said transactions until the final conclusion of the matter.
2. The Holding Company's internal financial controls over obtaining certain bank balance confirmations were not operating effectively, which could potentially result in affecting the expenses such as interest, bank charges etc and bank balances in the books of the Holding Company.
3. The auditor of one of the jointly controlled entities i.e. New City of Bombay MFG. Mills Limited. has issued a disclaimer of opinion in their report dated July 10, 2018.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the group's annual or interim financial statements will not be prevented or detected on a timely basis.

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 Consolidated Ind AS financial statements of the Holding Company, and these material weakness do not affect our opinion on the Consolidated Ind AS financial statements of the Holding Company.

**Other Matters**

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

1. One subsidiary company which is incorporated in India is based on the report of the one of the joint auditor of the Holding Company.
2. Two jointly controlled entities which are incorporated in India and which are subject to the statutory audit under the provisions of Companies Act, 2013, have been considered for reporting, based on the audit report of respective companies which were audited by other auditors.

Our Report is not modified in respect of these matters.

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

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

Place : Mumbai
Date : August 10, 2018

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

**Devdas V. Bhat**
Partner
M. No. 048094

Place : Mumbai
Date : August 10, 2018

## Consolidated Balance sheet
## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2018

(Rs. in crores)

| Particulars | Note No. | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|---|
| **I ASSETS** | | | |
| **(1) Non-current Assets** | | | |
| (a) Property, Plant and Equipment | 2 | 15,221.86 | 15,857.12 |
| (b) Capital work-in-progress | 2 | 4.45 | 6.08 |
| (c) Investment property | 3 | 838.71 | 902.80 |
| (d) Other Intangible assets | 2 | 2.25 | 3.04 |
| (e) Financial assets | | | |
| (i) Investments | 4 | 94.61 | 184.13 |
| (ii) Loans | 5 | 5.61 | 8.30 |
| (iii) Other financial assets | 11 | 149.91 | 260.06 |
| (f) Deferred tax assets (net) | 6 | 1,226.28 | 1,225.59 |
| (g) Current tax assets (net) | 14 | 38.87 | 12.06 |
| (h) Other non-current assets | 7 | 57.27 | 59.72 |
| | | **17,639.82** | **18,518.90** |
| **(2) Current Assets** | | | |
| (a) Inventories | 8 | 508.86 | 3,329.67 |
| (b) Financial Assets | | | |
| (i) Trade receivables | 9 | 309.93 | 10,069.74 |
| (ii) Cash and cash equivalents | 10 | 54.63 | 90.52 |
| (iii) Other balances with banks | 11 | 12.17 | 7.53 |
| iv) Loans | 12 | 0.74 | 81.44 |
| (v) Other financial assets | 13 | 2.87 | 4.95 |
| (c) Other current assets | 15 | 171.35 | 603.21 |
| | | **1,060.55** | **14,187.06** |
| **TOTAL ASSETS** | | **18,700.37** | **32,705.96** |
| **II EQUITY AND LIABILITIES** | | | |
| Equity | | | |
| (a) Equity share capital | 16 | 1,368.64 | 1,357.87 |
| (b) Other equity | 17 | (18,045.80) | 331.49 |
| | | **(16,677.17)** | **1,689.36** |
| **LIABILITIES** | | | |
| **(1) Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 18 | 7,367.16 | 9,261.75 |
| (b) Provisions | 19 | 35.70 | 37.24 |
| (c) Current tax Liabilities (net) | 21 | 121.53 | 77.63 |
| (d) Other non-current liabilities | 20 | 0.02 | 0.02 |
| | | **7,524.41** | **9,376.64** |
| **(2) Current Liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 22 | 17,845.93 | 14,182.71 |
| (ii) Trade payables | 23 | | |
| - Dues to micro and small enterprises | | 11.91 | 12.55 |
| - Dues to Others | | 1,051.18 | 1,443.68 |
| (iii) Other financial liabilities | 24 | 8,510.53 | 5,699.78 |
| (b) Other current liabilities | 25 | 426.70 | 292.12 |
| (c) Provisions | 19 | 6.88 | 9.12 |
| | | **27,853.13** | **21,639.96** |
| **TOTAL EQUITY AND LIABILITIES** | | **18,700.37** | **32,705.96** |
| Significant accounting policies | 1 | | |
| | | | |
| The accompanying notes are an integral part of the financial statements | 2 to 66 | | |

As per our report of even date attached

For and on behalf of the Board

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

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

**Sunil O. Khandelwal**
(Chief Financial Officer)

**K. H. Gopal**
(Company Secretary)

Taken on record

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

**Devdas Bhat**
Partner
M. No.: 48094

**Ajay Joshi**
(Resolution Professional)

Place: Mumbai
Date: 10 August 2018

Place: Mumbai
Date: 10 August 2018

## Consolidated Profit & Loss statement account

## CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. in crores)

| | Particulars | Notes | Year Ended 31 March 2018 | Year Ended 31 March 2017 |
|---|---|---|---|---|
| **(1)** | **INCOME** | | | |
| | Revenue from Operations | 26 | 5,562.08 | 8,919.42 |
| | Other Income | 27 | 256.61 | 65.58 |
| | **Total Income** | | **5,818.69** | **8,985.00** |
| **(2)** | **EXPENSES** | | | |
| | Cost of materials consumed | 28 | 5,278.74 | 7,688.36 |
| | Purchase of Traded Goods | | 8.55 | 36.98 |
| | Changes in inventories of finished goods, work-in-progress and stock-in-trade | 29 | (2.62) | 214.78 |
| | Excise Duty on sale of goods | | 48.33 | 196.38 |
| | Employee benefits expense | 30 | 323.19 | 329.07 |
| | Finance costs | 31 | 4,711.33 | 3,441.80 |
| | Depreciation and amortisation expense | 32 | 544.61 | 560.71 |
| | Other expenses | 33 | 13,473.71 | 1,909.79 |
| | **Total Expenses** | | **24,385.84** | **14,377.88** |
| **(3)** | **Loss before tax from continuing operations** | | (18,567.15) | (5,392.88) |
| **(4)** | **Tax Expense** | | | |
| | - Current tax | | 15.79 | (27.88) |
| | - Deferred tax | | (5.36) | (2,292.97) |
| | **Total Tax Expenses** | | **10.43** | **(2,320.85)** |
| **(5)** | **Loss after tax before share of profit from joint ventures** | | **(18,577.58)** | **(3,072.03)** |
| **(6)** | **Share of profit from joint ventures accounted for using equity method** | | **(0.48)** | **(11.11)** |
| **(7)** | **Loss for the year from continuing operations** | | **(18,578.06)** | **(3,083.14)** |
| **(8)** | **Other Comprehensive Income** | | | |
| | A (i) Items that will not be reclassified to profit or loss | | 13.46 | (0.15) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | (4.66) | 0.06 |
| | B (i) Items that will be reclassified to profit or loss | | 3.45 | (84.95) |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | | (1.19) | - |
| | Total Other Comprehensive Income for the period | | 11.06 | (85.06) |
| **(9)** | **Total comprehensive Income for the year (7) + (8)** | | **(18,567.00)** | **(3,168.20)** |
| **(10)** | **Earnings per equity share (for continuing operation):** | | | |
| | 1) Basic | 52 | (136.81) | (22.71) |
| | 2) Diluted | 52 | (136.81) | (22.71) |
| Significant accounting policies | | 1 | | |
| The accompanying notes are an integral part of the financial statements | | 2 to 66 | | |

As per our report of even date attached

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

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

Place: Mumbai
Date: 10 August 2018

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

**Devdas Bhat**
Partner
M. No.: 48094

For and on behalf of the Board

**Sunil O. Khandelwal**
(Chief Financial Officer)

**K. H. Gopal**
(Company Secretary)

Taken on record

**Ajay Joshi**
(Resolution Professional)

Place: Mumbai
Date: 10 August 2018

## Statement of Changes in Equity for the year ended 31 March 2018

### A. Equity Share Capital

(Rs. in crores)

| | As at 31.03.2018 | As at 31.03.2017 |
|---|---|---|
| **Balance at the beginning of the reporting year** | 1,357.87 | 1,357.87 |
| Changes in Equity Share capital during the reporting year | 10.77 | - |
| **Balance at the end of the reporting year** | **1,368.64** | **1,357.87** |

### B. Other Equity

(Rs. in crores)

| | Reserves and Surplus | | | | | | | | | Items of Other Comprehensive Income | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Capital Reserve on consolidation | Securities Premium Reserve | Capital Redemption Reserve | General Reserve | Debenture Redemption Reserve | Foreign Currency Monetary Item Translation Difference Account | Foreign Currency Translation Reserve | Retained Earnings | | |
| **Balance as on 1 April 2016** | 14.49 | 14.52 | 993.65 | 9.10 | 280.90 | 82.47 | (70.61) | (487.63) | 2,357.41 | (0.03) | 3,194.27 |
| Addition during the year | | | | | | | 5.66 | 236.87 | (3,083.14) | (84.96) | (2,925.57) |
| Amotisation for the year | | | | | | | 62.86 | | | | 62.86 |
| Transferred from Debenture Redemption Reserve | | | | | | (0.50) | | | 0.50 | | - |
| Items of OCI for the year, net of tax | | | | | | | | | (0.09) | | (0.09) |
| **Balance as on 31 March 2017** | 14.49 | 14.52 | 993.65 | 9.10 | 280.90 | 81.97 | (2.08) | (250.75) | (725.33) | (84.99) | 331.47 |
| **Balance as on 1 April 2017** | 14.49 | 14.52 | 993.65 | 9.10 | 280.90 | 81.97 | (2.08) | (250.75) | (725.33) | (84.99) | **331.47** |
| Translation difference on restatement | 0.28 | - | | | | | | | | | 0.28 |
| Addition during the year | | | | | | | (0.78) | 189.68 | (18,578.06) | 2.26 | (18,386.91) |
| Amotisation for the year | | | | | | | 0.55 | | | | 0.55 |
| Items of OCI for the year, net of tax | | | | | | | | | 8.80 | | 8.80 |
| **Balance as on 31 March 2018** | **14.77** | **14.52** | **993.65** | **9.10** | **280.90** | **81.97** | **(2.32)** | **(61.08)** | **(19,294.59)** | **(82.74)** | **(18,045.82)** |

As per our report of even date attached

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

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

Place: Mumbai
Date: 10 August 2018

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

**Devdas Bhat**
Partner
M. No.: 48094

For and on behalf of the Board

**Sunil O. Khandelwal**
(Chief Financial Officer)

**K. H. Gopal**
(Company Secretary)

Taken on record

**Ajay Joshi**
(Resolution Professional)

Place: Mumbai
Date: 10 August 2018

## Consolidated Cash Flow Statement

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Crores)

| | PARTICULARS | Year Ended 31 March 2018 | Year Ended 31 March 2017 |
|---|---|---|---|
| A] | **Cash Flow from Operating Activities** | | |
| | Net Profit Before Tax | (18,567.15) | (5,392.88) |
| | **Adjustments for:** | | |
| | Loss of subsidiary not considered | - | |
| | Depreciation / Amortisation | 544.61 | 560.71 |
| | Diminution in the value of investment | 42.32 | 103.99 |
| | Provision for impairment of fixed assets and intangibles | 35.41 | 25.19 |
| | Employee Stock Option outstanding | | - |
| | Exchange rate difference | 186.72 | 198.84 |
| | Dividend Income | (0.01) | (0.01) |
| | Interest Expense | 4,711.33 | 3,227.60 |
| | Interest Income | (20.19) | (23.60) |
| | Capital Reserve | 0.28 | |
| | Capital Reserve (on Consolidation) | - | |
| | Other Comprehensive income | 11.06 | (85.15) |
| | (Profit)/Loss on sale of fixed assets (net) | (59.02) | 130.25 |
| | Provision for Gratuity & leave encashment | (4.06) | |
| | Provision for acc. special legal regulation | 0.29 | |
| | Sundry Credit Balances written back | 4.36 | (30.86) |
| | Loss/(Profit) on sale of investments (net) | 45.41 | - |
| | Provision for Doubtful Debts | 11,853.35 | 183.03 |
| | Provision for Doubtful Advances | 600.33 | 273.08 |
| | Fixed assets written off on liquidation of subsidiary | 112.83 | - |
| | Operating Profit/(Loss) before working capital changes | **(502.13)** | **(829.81)** |
| | **Adjustments for** | | |
| | Decrease / (Increase) in Inventories | 2,870.37 | 4,954.27 |
| | (Increase) in Trade Receivables | (2,092.46) | (4,225.39) |
| | (Increase)/Decrease in Loans & Advances and Other assets | (100.54) | (220.44) |
| | (Decrease)/Increase in Current Liabilities | (271.75) | (2,706.16) |
| | Cash used in operations | **(96.51)** | **(3,027.53)** |
| | Income Taxes Paid | (1.38) | (4.57) |
| | Net cash used in Operating Activities | **(97.89)** | **(3,032.10)** |
| B] | **Cash flow from Investing Activities** | | |
| | Purchase of Fixed Assets | (22.78) | (0.77) |
| | Proceeds from sale of fixed assets | 95.44 | 44.63 |
| | Purchase of Investments | (39.58) | (16.54) |
| | Proceeds from sale of Investments | 60.82 | 0.03 |
| | Fixed Deposits and earmarked balances matured/(placed) | 105.51 | (148.28) |
| | Dividends Received | 0.01 | 0.01 |
| | Interest Received | 11.61 | 21.25 |
| | Net cash generated from Investing Activities | **211.03** | **(99.67)** |
| C] | **Cash flow from Financing Activities** | | |
| | Proceeds from Term borrowings | 286.67 | 2,549.34 |
| | Proceeds from short term borrowings (Net) | 80.03 | 1,143.39 |
| | Interest Paid | (515.66) | (520.59) |
| | Net cash Generated from Financing Activities | **(148.96)** | **3,172.14** |
| | **Net Increase/(decrease) in Cash and Cash equivalents (A+B+C)** | (35.82) | 40.37 |
| | **Cash and Cash equivalents at the beginning of the Year** | 90.52 | 50.15 |
| | **Cash and Cash equivalents pursuant to amalgamation** | - | - |
| | **Cash and Cash equivalents at the end of the Year** | **54.70** | **90.52** |

## 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 year and is considered as part of investing activity.

2 Cash and Cash equivalents includes : (Rs. in crores)

| | 31 March 2018 (Rs. in Crores) | 31 March 2017 (Rs. in Crores) |
|---|---|---|
| **Cash on hand** | 0.23 | 0.23 |
| Balance with banks in current accounts | 53.20 | 89.19 |
| Balance with banks in deposit accounts | 0.32 | 0.22 |
| Cheques, Drafts on hand | 0.88 | 0.88 |
| Other bank balances | 12.17 | 7.53 |
| | **66.80** | **98.05** |
| Add: Other Bank balances held in Deposit / Margin account with Bank (refer note 11) | 149.91 | 260.06 |
| Less : Earmarked balances/deposits with bank | (162.08) | (267.59) |
| Add : Exchange Difference | 0.07 | |
| **Total Cash and Cash equivalents** | **54.70** | **90.52** |

### 3 Amendment to Ind AS 7

The amendments to Ind AS 7 Cash flow statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities,including both changes arising from cash flows and non-cash changes,suggesting inclusion of a reconciliation between the opening and closing balances in the Balance sheet for liabilities arising from financing activities,to meet the disclosure requirement. This amendment has become effective from 1st April,2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendment.

(Rs. in crores)

| Particulars | as at 31.03.2017 | Cash Flows | Non Cash changes | | | | | as at 31.03.2018 |
|---|---|---|---|---|---|---|---|---|
| | | | Interest | Foreign exchange movement | Guarantee Invocation | Others | Current / non-current classification | |
| Borrowings - Non current | 9,261.75 | (0.89) | - | 38.20 | (23.39) | 1.29 | (1,909.80) | 7,367.16 |
| Borrowings - current | 14,182.71 | 332.99 | 1,518.25 | 11.99 | 37.25 | 10.85 | 1,751.88 | 17,845.93 |
| Other financial liabilities | 2,061.33 | (4.05) | - | 0.79 | (13.85) | - | 157.92 | 2,202.15 |

4 The Cash Flow Statement has been prepared in accordance with the requirements of Accounting Standard 'Ind AS-7' "Statemet of Cash Flows".

The accompanying notes are an integral part of the financial statements 2 to 66

As per our report of even date attached

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

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

Place: Mumbai
Date: 10 August 2018

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

**Devdas Bhat**
Partner
M. No.: 48094

For and on behalf of the Board

**Sunil O. Khandelwal**
(Chief Financial Officer)

**K. H. Gopal**
(Company Secretary)

Taken on record

**Ajay Joshi**
(Resolution Professional)

Place: Mumbai
Date: 10 August 2018

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

**GROUP INFORMATION**

Alok Industries Limited ("The Company") is a public limited company, domiciled in India and incorporated under the provisions of the Companies Act, 1956. The equity shares of the Company are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). It is primarily engaged in the business of textile manufacturing including mending and packing activities.

The Company was admitted under NCLT process on 18 July 2017 and Mr. Ajay Joshi has been appointed as Resolution Professional (RP) to manage the operations on day to day basis and to complete the requisite process of calling bids from the interested parties for revival of the Parent Company. On appointment of RP the power of board of directors of the Parent Company were suspended.

The Consolidated Financial Statements were certified by Chief Financial Officer and Company Secretary and were taken on record by the Resolution Professional at meeting held on 10 August 2018.

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

This Note provides a list of the significant Accounting Policies adopted by Alok Industries Limited (the Parent Company) and its Subsidiaries (collectively referred as the Group); in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a) Basis of preparation:**

i) **Compliance with Ind AS:**

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, hereinafter referred to as Ind AS.

ii) **Historical cost convention:**

The Financial Statements have been prepared on a historical cost basis, except for the following:

a. Certain financial assets and liabilities that are measured at fair value;

b. Assets held for sale - measured at lower of carrying amount or net fair value less cost to sell;

c. Defined benefit plans - plan assets measured at fair value;

**b) Principles of consolidation and equity accounting:**

i) **Subsidiary companies**

Subsidiary companies are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the Financial Statements of the parent and its subsidiary companies line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting Policies of subsidiary companies have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interest in the results and equity of subsidiary companies are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of changes in equity and Balance Sheet respectively.

ii) **Associate companies**

Associate companies are all entities over which the Group has significant influence, but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associate companies are accounted for using the equity method of accounting.

iii) **Joint arrangements**

Under Ind AS 111 Joint arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Interest in Joint Venture Company is accounted for using the equity method.

iv) **Equity method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise share of the Group in post-acquisition profit and loss of the investee in profit and loss, and share of the Group in Other Comprehensive Income of the investee in Other Comprehensive Income. Dividends received or receivable from associate company and Joint Venture Company are recognised as a reduction in the carrying amount of the investment.

When the Group share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associate company and Joint Venture Company are eliminated to the extent of the Group interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting Policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in (l) below.

v) **Changes in ownership interest**

The Group treats transactions with non-controlling interest that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary companies.

Any difference between the amount of the adjustment to non-controlling interest and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate company, joint venture company or financial asset. In addition, any amounts previously recognised in Other Comprehensive Income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss.

If the ownership interest in a joint venture company or an associate company is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss where appropriate.

c) **Foreign currency transactions:**

i) **Functional and presentation currency:**

Items included in the Financial Statements of each entities of the Group are measured using the currency of the primary economic environment in which the Group operates ('functional currency'). The Consolidated Financial Statements are presented in Indian National currency (INR), which is also functional and presentation currency of the Company.

ii) **Transactions and balances:**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other income / (expense).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain / (loss).

iii) **Group companies:**

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a. assets and liabilities are translated at the closing rate at the date of that Balance Sheet

b. income and expenses are translated at average exchange rates (unless there is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transaction), and

c. all resulting exchange differences are recognised in Other Comprehensive Income.

When a foreign operation is sold, the associated exchange differences are reclassified to the Statement of Profit and Loss, as part of the gain / (loss) on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

**d) Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

**e) Revenue recognition:**

**i) Timing of recognition:**

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods, the amount of revenue can be measured reliably and it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities of the Group. This generally happens upon dispatch of the goods to customers, except for export sales which are recognised when significant risk and rewards are transferred to the buyer as per the terms of contract.

Eligible export incentives are recognised in the year in which the conditions precedent is met and there is no significant uncertainty about the collectability.

**ii) Measurement of revenue:**

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government which are levied on sales such as sales tax, value added tax, etc.

Revenue includes excise duty as it is paid on production and is a liability of the manufacturer. Discounts given include rebates, price reductions and other incentives given to customers. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Group recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale

The volume discounts are assessed based on anticipated annual purchases.

*Rental Income*

The Group's policy for recognition of revenue from operating leases is described in Note 1 (e) below.

*Interest Income*

For all debt instruments measured at amortised cost, interest income is measured using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

*Dividends*

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

f) **Income taxes:**

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

- **Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Group operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The Group reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

- **Deferred tax**

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

g) **Leases:**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

- **Company as a lessee:**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

- **Company as a lessor:**

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

h) **Property, Plant and Equipment**

i) **Tangible assets:**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Statement of Profit and Loss.

Stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period. Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

**Depreciation methods, estimated useful lives and residual value:**

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

| **Asset category** | **Estimated useful life** |
|---|---|
| Buildings | 50 to 60 years |
| Plant and Machinery | 20 to 25 years |

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

The residual values are not more than 5% of the original cost of the asset.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and any changes there in are considered as change in estimate and accounted prospectively.

ii) **Intangible assets:**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible Assets having finite useful life are amortised on the straight line method as per following estimated useful life:

| **Asset category** | **Estimated useful life** |
|---|---|
| Computer software | 6 years |
| Trademarks / Brands | 10 years |

The useful lives and method of depreciation of intangible assets are reviewed at each financial year end and any changes there in are considered as change in estimate and accounted prospectively.

Intangible assets having indefinite useful life are tested for impairment at least once in an accounting year regardless of indicators of impairment.

i) **Investment Property:**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Group, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property. Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable borrowing costs and are carried at cost less accumulated depreciation and accumulated impairment losses.

j) **Impairment of fixed assets**

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal | external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.

**k) Investments and other financial assets:**

**Classification:**

The Group classifies its financial assets in the following measurement categories:

i) Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss), and

ii) Those measured at amortised cost.

The classification depends on business model of the entity for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income.

For investments in debt instruments, it depends on the business model in which the investment is held.

For investments in equity instruments, it depends on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

**Initial recognition and measurement:**

Financial assets are recognised when the Group becomes a party to the contractual terms of the instrument.

**Transaction Cost**

Financial assets are recognised initially at fair value plus/minus (in the case of financial assets are not recorded at fair value through profit or loss) transaction costs that are attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in Profit or Loss.

**Subsequent measurement:**

After initial recognition, financial assets are measured at:

i) Fair value {either through Other Comprehensive Income (FVOCI) or through profit or loss (FVPL)} or,

ii) Amortised cost

**Debt instruments:**

Subsequent measurement of debt instruments depends on the business model of the Group for managing the asset and the cash flow characteristics of the asset.

There are three measurement categories into which the Group classifies its debt instruments:

**Measured at amortised cost:**

Debt instruments that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in Profit or Loss.

**Measured at fair value through Other Comprehensive Income (OCI):**

Debt instruments that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI (net of taxes). Interest income measured using the EIR method and impairment losses, if any are recognised in Profit or Loss. On de-recognition, cumulative gain | (loss) previously recognised in OCI is reclassified from the equity to Profit or Loss.

**Measured at fair value through profit or loss:**

A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in Profit or Loss.

**Equity instruments:**

The Group subsequently measures all investments in equity instruments other than subsidiary companies, associate company and Joint Venture Company at fair value. The Management of the Group has elected to present fair value gains and losses on such equity investments in Profit or Loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in Profit or Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Investments in subsidiary companies, associate company and joint venture company:

Investments in subsidiary companies, associate company and Joint Venture Company are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies, associate company and Joint Venture Company, the difference between net disposal proceeds and the carrying amounts are recognised in Profit or Loss.

**Impairment of financial assets:**

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 44 details how the Group determines whether there has been a significant increase in credit risk. For trade and lease receivable only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of such receivables.

**De-recognition:**

A financial asset is de-recognised only when

i) The Group has transferred the rights to receive cash flows from the financial asset ,or

ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**Financial liabilities & Equity instruments:**

i) Classification as debt or equity - Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii) Initial recognition and measurement - Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

iii) Subsequent measurement - Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in Profit or Loss.

iv) De-recognition - A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

l) **Fair Value Measurement**

The Group measures financial instruments, such as Derivatives, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of the principal market, in the most advantageous market for the asset of liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

External Valuers are involved for valuation of significant assets such as certain items or property, plant and equipment. For the purpose of fair value disclosure, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

m) **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, costs of conversion and other costs incurred in bringing the inventory to its present location and condition.

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

Due allowances are made for slow moving and obsolete inventories based on estimates made by the Group.

n) **Cash and cash equivalents:**

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

o) **Trade receivable:**

Trade receivables are initially recognised at fair value of the revenue. Subsequently, trade receivables are stated at cost less provision for impairment, if any.

Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed and individual limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

The Group applies expected credit losses (ECL) model for measurement and recognition of provision / loss allowance on the Trade receivables.

As a practical expedient, the Group uses a provision matrix to measure ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default floating rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in Profit or Loss under the head 'Other expenses'.

**p) Offsetting financial instruments:**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

q) **Derivatives and hedging activities:**

The Group enters into derivative financial instruments to hedge its exposure to movements in interest rates and foreign exchange rates. These are not intended for trading or speculative purposes.

Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges. Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorised as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in Profit or Loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets | liabilities in this category are presented as current assets | current liabilities if they are either held for trading or are expected to be realised within 12 months after the Balance Sheet date.

r) **Government Grants:**

Grants, in the nature of interest subsidy under the Technology Upgradation Fund Scheme (TUFs), are accounted for when it is reasonably certain that ultimate collection will be made. The interest subsidy is reduced from the interest cost.

Grant received from the Government relating to the purchase of fixed asset and deducted from the carrying amount of corresponding fixed asset.

s) **Borrowings:**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income | (expense). Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

t) **Borrowing costs:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

u) **Provisions and contingent liabilities:**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

v) **Employee benefits:**

**Short-term employee benefits:**

All employee benefits payable within twelve months of service such as salaries, wages, bonus, ex-gratia, medical benefits etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations within the Balance Sheet. Termination benefits are recognised as an expense as and when incurred. Short-term leave encashment is provided at undiscounted amount during the accounting period based on service rendered by employees. Compensation payable under Voluntary Retirement Scheme is being charged to Statement of Profit and Loss in the year of settlement.

**Other long-term employee benefits:**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

**Defined contribution plan:**

Contributions to defined contribution schemes such as contribution to Provident Fund, Superannuation Fund, Employees' State Insurance Corporation, National Pension Scheme and Labours Welfare Fund are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Group has no further defined obligations beyond the monthly contributions.

**Defined benefit plan:**

**Gratuity:**

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Balance Sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**w) Earnings per share:**

Earnings per share (EPS) are calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period. The treasury shares are not considered as outstanding equity shares for computing EPS.

**x) Foreign Currency Transactions**

Foreign Currency Transactions are recorded at the exchange rates prevailing on the date of the transaction.

Monetary items denominated in Foreign Currency are reported at the exchange rate prevailing on the balance sheet date. Exchange differences relating to long term monetary items are dealt with in the following manner:

- Exchange differences relating to long term monetary items, arising during the period, in so far as those relate to the acquisition of a depreciable capital asset are added to / deducted from the cost of the asset and depreciated over the balance life of the asset

- In other cases, such differences are accumulated in the "Foreign Currency Monetary Translation Difference Account" and amortised to the statement of profit and loss over the balance life of the long term monetary item.

  All other exchange differences are dealt with in profit or loss.

y) **Critical estimates and judgements**

Preparation of the Financial Statements requires use of accounting estimates which, by definition, will seldom equal the actual results. This Note provides an overview of the areas that involved a higher degree of judgements or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements. The areas involving critical estimates or judgements are:

i) Estimation of useful life of tangible assets: Note 1(f)

ii) Estimation of defined benefit obligation: Note 1(t)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

## 2. PROPERTY, PLANT & EQUIPMENT

### Property, Plant & Equipment As at 31 March 2018

(Rs. in Crores)

| Description Of Assets | Gross carrying value | | | | Depreciation/Amortisation | | | | Net carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2017 | Additions | Deductions | As at 31 March 2018 | As at 1 April 2017 | For the Period | Adjustments On Sale/Trf. | Total Upto 31 March 2018 | As at 31 March 2018 | As at 31 March 2017 |
| **Land** | | | | | | | | | | |
| Freehold | 4,625.10 | 2.34 | - | 4,627.44 | - | - | - | - | 4,627.44 | 4,625.10 |
| Leasehold | 35.94 | - | - | 35.94 | 0.87 | 0.45 | - | 1.32 | 34.62 | 35.07 |
| Building | 3,218.70 | 0.78 | 52.72 | 3,166.76 | 164.00 | 81.61 | 6.24 | 239.36 | 2,927.40 | 3,054.71 |
| Office Premises | 98.79 | 0.00 | (2.58) | 101.37 | (5.04) | 1.74 | (8.37) | 5.06 | 96.31 | 103.84 |
| Plant and Equipment (refer note 1 below) | 9,072.68 | 61.88 | 43.40 | 9,091.16 | 1,205.04 | 439.83 | 25.78 | 1,619.09 | 7,472.07 | 7,867.64 |
| Computer & Peripherals | 5.95 | 0.10 | 0.56 | 5.49 | 4.06 | 0.67 | 0.50 | 4.22 | 1.27 | 1.89 |
| Office Equipment | 8.56 | 0.05 | 0.43 | 8.19 | 6.81 | 0.63 | (0.18) | 7.63 | 0.56 | 1.75 |
| Furniture and Fixtures | 156.96 | 0.09 | 104.50 | 52.55 | 43.47 | 9.93 | 15.56 | 37.85 | 14.70 | 113.49 |
| Vehicles | 12.35 | 0.34 | 0.74 | 11.95 | 4.52 | 2.60 | 0.04 | 7.07 | 4.88 | 7.83 |
| Tools & Equipment | 54.45 | 0.35 | 0.52 | 54.28 | 8.64 | 3.16 | 0.15 | 11.66 | 42.62 | 45.81 |
| **Total** | **17,289.48** | **65.92** | **200.28** | **17,155.12** | **1,432.37** | **540.61** | **39.72** | **1,933.26** | **15,221.86** | **15,857.12** |

| | | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|---|
| **Capital work in progress** | | **4.45** | **6.08** |



### Property, Plant & Equipment As at 31 March 2017

**(₹ in Crores)**

| Description Of Assets | Gross carrying value | | | | Depreciation/Amortisation | | | | Net carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2016 | Additions | Deductions | As at 31 March 2017 | As at 1 April 2016 | For the Period | Adjustments On Sale/Trf. | Total Upto 31 March 2017 | As at 31 March 2017 | As at 31 March 2016 |
| **Land** | | | | | | | | | | |
| Freehold | 4,624.77 | 0.33 | - | 4,625.10 | - | - | - | - | 4,625.10 | 4,624.77 |
| Leasehold | 35.94 | - | - | 35.94 | 0.42 | 0.45 | - | 0.87 | 35.07 | 35.52 |
| Building | 3,222.50 | 0.53 | 4.33 | 3,218.70 | 83.52 | 80.47 | - | 164.00 | 3,054.70 | 3,138.98 |
| Office Premises | 115.61 | 13.73 | 30.55 | 98.79 | 1.45 | 16.97 | 23.46 | (5.05) | 103.84 | 114.17 |
| Plant and Equipment (refer note 1 below) | 9,401.99 | (37.64) | 291.68 | 9,072.68 | 912.28 | 421.15 | 128.39 | 1,205.04 | 7,867.64 | 8,489.71 |
| Computer & Peripherals | 5.05 | 1.01 | 0.11 | 5.94 | 3.53 | 0.87 | 0.34 | 4.06 | 1.88 | 1.51 |
| Office Equipment | 8.50 | 0.08 | 0.00 | 8.57 | 5.98 | 0.83 | 0.00 | 6.81 | 1.76 | 2.51 |
| Furniture and Fixtures | 213.15 | 0.14 | 56.34 | 156.96 | 47.11 | 26.69 | 30.33 | 43.47 | 113.49 | 166.04 |
| Vehicles | 14.26 | (0.01) | 1.90 | 12.35 | 3.08 | 2.74 | 1.30 | 4.52 | 7.83 | 11.18 |
| Tools & Equipment | 53.62 | 0.85 | 0.03 | 54.45 | 5.76 | 2.86 | (0.03) | 8.65 | 45.80 | 47.86 |
| **Total** | **17,695.41** | **(20.98)** | **384.94** | **17,289.49** | **1,063.15** | **553.02** | **183.81** | **1,432.37** | **15,857.12** | **16,632.26** |

| | | As at 31 March 2017 | As at 31 March 2016 |
|---|---|---|---|
| **Capital work in progress** | | **6.08** | **41.01** |

NOTE :

1. Plant and Equipments includes Exchange difference (net) of Rs. 48.71 Crores (Previous Period Rs. 40.19 Crores) on restatement of long term borrowings payable in foreign currency.
2. Capital work in progress comprises of expenditure incurred for expansion project, advances for capital expenditure
3. Certain property plant and equipment are pledge against borrowings the details relating to which have been described in note 18 pertaining to borrowings.

## INTANGIBLE ASSETS

### Intangible assets As at 31 March 2018

(₹ in Crores)

| Description Of Assets | Gross carrying value | | | | Amortisation | | | | Net carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2017 | Additions | Deductions | As at 31 March 2018 | As at 1 April 2017 | For the Period | Adjustments On Sale/Trf. | Total Upto 31 March 2018 | As at 31 March 2018 | As at 31 March 2017 |
| Trademarks / Brands | 10.90 | 2.52 | - | 13.42 | 10.01 | 2.35 | (0.49) | 12.84 | 0.58 | 0.89 |
| Computer Software | 5.52 | 0.38 | 0.15 | 5.75 | 3.37 | 0.51 | (0.19) | 4.07 | 1.68 | 2.15 |
| **Total** | **16.41** | **2.90** | **0.15** | **19.16** | **13.37** | **2.85** | **(0.68)** | **16.91** | **2.26** | **3.04** |

### Intangible assets As at 31 March 2017

(₹ in Crores)

| Description Of Assets | Gross carrying value | | | | Amortisation | | | | Net carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2016 | Additions | Deductions | As at 31 March 2017 | As at 1 April 2016 | For the Period | Adjustments On Sale/Trf. | Total Upto 31 March 2017 | As at 31 March 2017 | As at 31 March 2016 |
| Trademarks / Brands | 12.53 | - | 1.63 | 10.90 | 5.22 | 4.79 | - | 10.01 | 0.89 | 7.32 |
| Computer Software | 3.89 | 1.63 | - | 5.52 | 1.73 | 1.64 | - | 3.37 | 2.15 | 2.16 |
| **Total** | **16.42** | **1.63** | **1.63** | **16.42** | **6.95** | **6.43** | **-** | **13.38** | **3.04** | **9.48** |

## 3. INVESTMENT PROPERTY

### Investment Property As at 31 March 2018

(₹ in Crores)

| Description Of Assets | Gross carrying value | | | | Depreciation/Amortisation | | | | Net carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2017 | Additions | Deductions | As at 31 March 2018 | As at 1 April 2017 | For the Period | Adjustments On Sale/Trf. | Total Upto 31 March 2018 | As at 31 March 2018 | As at 31 March 2017 |
| **Investment Property** | | | | | | | | | | |
| Land | 809.89 | 1.61 | 2.84 | **808.66** | - | - | - | - | 808.66 | 809.89 |
| Office Premises | 86.11 | 4.32 | 66.95 | **23.48** | 1.45 | 0.96 | 0.91 | **1.50** | **21.98** | 84.66 |
| Factory Building | 8.73 | - | - | **8.73** | 0.48 | 0.18 | - | **0.66** | **8.07** | 8.25 |
| **Total** | **904.73** | **5.93** | **69.78** | **840.87** | **1.93** | **1.14** | **0.91** | **2.16** | **838.71** | **902.80** |

## INVESTMENT PROPERTY AS AT 31 MARCH 2017

(₹ in Crores)

| Description of Assets | Gross carrying value | | | | Depreciation/Amortisation | | | | Net carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2016 | Additions | Deductions | As at 31 March 2017 | As at 1 April 2016 | For the Period | Adjustments On Sale/Trf. | Total Upto 31 March 2017 | As at 31 March 2017 | As at 31 March 2016 |
| **Investment Property** | | | | | | | | | | |
| Land | 812.51 | 0.18 | 2.79 | 809.89 | - | | | - | 809.89 | 812.51 |
| Office Premises | 86.11 | - | - | 86.11 | 0.43 | 1.02 | | 1.45 | 84.66 | 85.68 |
| Factory Building | 8.73 | - | - | 8.73 | 0.24 | 0.24 | | 0.48 | 8.25 | 8.49 |
| **Total** | **907.35** | **0.18** | **2.79** | **904.73** | **0.67** | **1.26** | - | **1.93** | **902.80** | **906.68** |

Note : Information regarding Income and expenditure of Investment property

(₹ in Crores)

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Rental income derived from Investment properties (See Note 27) | 2.65 | 3.25 |
| Direct operating expenses (including repairs and maintenance) generating rental income | (0.93) | (0.87) |
| Profit arising from investment properties before depreciation and indirect expenses | 1.72 | 2.37 |
| Less: Depreciation | 1.14 | 1.26 |
| Profit arising from investment properties before indirect expenses | **0.58** | **1.11** |

## 4 INVESTMENTS

(Rs. in Crore)

| Particulars | As at 31 March 2018 | | As at 31 March 2017 | |
|---|---|---|---|---|
| **a) In Equity Instrument** | | | | |
| **In Joint Ventures** | | | | |
| Aurangabad Textiles & Apparel Parks Limited | 17.25 | | 17.25 | |
| Less: Dividend received | (0.55) | | (0.33) | |
| Add : Share of profit | 0.53 | 17.24 | 0.85 | 17.77 |
| New City Of Bombay Mfg. Mills Limited | 75.13 | | 75.13 | |
| Less: Dividend received | (4.67) | | (2.92) | |
| Add : Share of profit | 6.87 | 77.32 | 7.03 | 79.24 |
| **In Associate Companies** | | | | |
| Alspun Infrastructure Limited [Nil (Previous year 1,00,000 Equity shares of Rs.10 each)] (Previous year Includes goodwill on acquisition of stake of associates Rs. 0.04 crores) | - | | 9.07 | |
| Less : share in post acquisition accumulated loss | - | | (3.33) | |
| | | - | | 5.75 |
| Ashford Infotech Private Limited [Nil (Previous year 25,00,000 Equity Share of Rs.10 each)] | - | | 51.56 | |
| Add : share in post acquisition accumulated profit | - | | (25.09) | |
| | | - | | 26.47 |
| **In Others** | | | | |
| Trimphant Victory Holdings Limited (Rs. 90.14/-) (Face value of USD 1 each) [2 equity share of USD 1 each Rs. 90.14 each] | 0.00 | | 0.00 | |
| Less : Provision for diminution in value of investment | (0.00) | - | - | 0.00 |
| Dombivali Nagari Sahakari Bank Limited (Face value of Rs.50 each) [10,000 Equity Shares of Rs. 50/- each] | | 0.05 | | 0.05 |
| Saraswat Bank Limited (Rs. 25,000/-) [2,500 Equity Shares of Rs. 10/- each (Previous year Nil)] | | 0.00 | | 0.00 |
| Wel-Treat Environ Management Organisation (Rs. 36,500/-) [3,650 Equity Shares of Rs. 10/- each (Previous year Nil)] | | 0.00 | | 0.00 |
| PowerCor LLC | | | | |
| Subscription towards 5% Group B Membership interest | 48.17 | | 48.02 | |
| Less: Provision | (48.17) | | (48.02) | |
| | | - | | - |
| Aisle 5 LLC | | | | |
| 22 senior units of the equity capital | 8.52 | | 8.49 | |
| Less: Provision | (8.52) | | (8.49) | |
| | | - | | - |
| Others | | - | | 16.59 |
| **b) Investment in Preference shares (Unquoted) (Other Investments)** | | | | |
| **In Associates Company** | | | | |
| 0% Non-cumulative redeemable preference shares of Ashford Infotech Private Limited [Nil (Previous year 5,00,000 Shares Rs. 10 each)] | | - | | 25.53 |
| 0% Redeemable preference shares of Alspun Infrastructure Limited [Nil (Previous year 5,00,000 Shares Rs. 10 each)] | | - | | 12.73 |
| **In Others** | | | | |
| 0% Cumulative redeemable preference shares of Triumphant Victory Holdings Limited [36,216,960 Shares USD 1 each] | 167.90 | | 158.74 | |
| Less : Provision for diminution in value of investment | (167.90) | | (158.74) | |
| | | - | | - |
| | | **94.61** | | **184.13** |

## 5 LOANS

(Rs. in Crore)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| Lease and security deposits | 5.61 | 8.30 |
| | **5.61** | **8.30** |

## 6 DEFERRED TAX

(Rs. in Crore)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| **a) Deferred tax liability (net) comprises of timing difference on account of** | | |
| **Deferred Tax Liability** | | |
| Depreciation | 3,283.25 | 3,249.59 |
| Property, plant & equipment and intangible assets | 229.97 | 229.97 |
| Investment in associate | 17.93 | 17.93 |
| Provision for doubtful debts and advances | - | - |
| **Deferred Tax Liability** | **3,531.15** | **3,497.49** |
| **b) Deferred tax asset (net) comprises of timing difference on account of** | | |
| **Deferred Tax Asset** | | |
| Provision for impairment (building) | 5.97 | 5.97 |
| Dim in the value of investments | - | |
| Redeemable Preference shares | 13.97 | 13.97 |
| Provision for employee benefits | 12.33 | 17.00 |
| Provision for doubtful debts and advances | (229.63) | 699.52 |
| Interest not Paid | 2,050.54 | 1,181.48 |
| Unabsorbed Depreciation carried forward | 673.63 | 484.97 |
| Business Loss carried forward | 2,230.62 | 2,320.17 |
| **Deferred Tax Asset** | 4,757.43 | 4,723.08 |
| **Net Deferred tax asset** | **1,226.28** | **1,225.59** |

## 7 OTHER NON-CURRENT ASSETS

(Rs. in Crore)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| **Unsecured considered good** | | |
| Capital advances | 57.27 | 58.72 |
| Prepaid expenses | - | 1.00 |
| **Total** | **57.27** | **59.72** |

## 8 INVENTORIES

**(At lower of cost and net realisable value)**

(Rs. in Crore)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| Stock-in-trade: | | |
| Raw materials (Includes material in transit Rs. 6.48 crores (Previous period Rs. 7.34 crores) | 66.38 | 2,919.98 |
| Work-in-progress | 183.95 | 148.21 |
| Finished goods | 170.83 | 206.01 |
| Stock in trade (Traded Goods) | 9.59 | 7.52 |
| Stores and spares | 24.03 | 32.28 |
| Packing material | 4.51 | 15.67 |
| Real estate project cost | 49.57 | |
| | **508.86** | **3,329.67** |

## 9 TRADE RECEIVABLES

(Rs. in Crore)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| Unsecured, Considered good | 309.93 | 10,069.74 |
| Unsecured, Considered doubtful | 11,175.42 | 208.71 |
| | **11,485.36** | **10,278.45** |
| Less : Provision for doubtful debts (Refer note no. 37) | (11,175.42) | (208.71) |
| | **309.93** | **10,069.74** |

## 10 CASH AND CASH EQUIVALENTS

(Rs. in Crore)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| **Cash and Cash equivalents** | | |
| Cash on hand | 0.23 | 0.23 |
| **Balance with Bank** | | |
| (i) In Current Accounts | 53.20 | 89.19 |
| (ii) In Deposit Accounts [Including interest accrued thereon] | 0.32 | 0.22 |
| Cheques, Drafts on hand | 0.88 | 0.88 |
| | **54.63** | **90.52** |

## 11 OTHER BALANCES WITH BANKS

(Rs. in Crore)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| **OTHERS** | | |
| **Non Current** | | |
| Balance with Bank | | |
| Balances / Deposits held as margin money or security against borrowings, guarantee and other commitments | 149.91 | 260.06 |
| **Total other bank balances** | **149.91** | **260.06** |
| **Current** | | |
| In earmarked accounts | | |
| Unclaimed dividend accounts | 0.86 | 0.86 |
| Balances / Deposits held as margin money or security against borrowings, guarantee and other commitments | 11.31 | 6.67 |
| **Total other bank balances** | **12.17** | **7.53** |

Margin monies include Rs. 2.03 Crores (Previous period Rs. 7.19 Crores) which have an original maturity of more than 12 months and Rs. 1.00 Crores (Previous period Rs. 0.79 Crores) which have a maturity of more than 12 months from the Balance Sheet date.

## 12 LOANS

(Rs. in Crore)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| Unsecured, Considered good | 0.74 | 81.44 |
| Unsecured, Considered doubtful | 366.58 | 244.37 |
| | **367.32** | **325.81** |
| Less : Provision for doubtful advances | (366.58) | (244.37) |
| | **0.74** | **81.44** |

13 **OTHER FINANCIAL ASSETS**

(Rs. in Crore)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| **Unsecured, considered good** | | |
| Advance to Staff (Refer note below) | 2.45 | 0.04 |
| Unutilised DEPB Licence | 0.42 | 0.82 |
| Interest Subsidy Receivable | - | 4.05 |
| Inter Corporate Deposits | - | 0.04 |
| | **2.87** | **4.95** |
| **Unsecured, considered doubtful** | | |
| Inter Corporate Deposits | 0.70 | 0.66 |
| Less : provision | (0.70) | (0.66) |
| | - | - |
| Interest Subsidy Receivable | 35.42 | 31.37 |
| Less : Provision for Interest Subsidy Receivable | (35.42) | (31.37) |
| | - | - |
| Unutilised DEPB licence | 0.30 | - |
| Less : Provision for unutilised DEPB licence | (0.30) | - |
| | - | - |
| | **2.87** | **4.95** |

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

14 **CURRENT TAX ASSETS (NET)**

(Rs. in Crore)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| Advance Tax (net of provision for tax) | 38.87 | 12.06 |
| | **38.87** | **12.06** |

15 **OTHER CURRENT ASSETS**

(Rs. in Crore)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| **Unsecured considered good** | | |
| Advance to vendors | 31.85 | 431.17 |
| Advance to Others | 14.32 | 64.93 |
| Prepaid expenses | 1.32 | 3.89 |
| Balances with Central Excise Authorities | 93.99 | 25.61 |
| Export Incentive Receivable | 29.82 | 12.19 |
| Service Tax | - | 65.20 |
| Interest Receivable | - | 0.08 |
| Deposits others | 0.05 | 0.14 |
| | **171.35** | **603.21** |
| **Unsecured considered doubtful** | | |
| Export Incentive | 0.13 | 2.58 |
| Service Tax | - | 32.51 |
| Advance to vendors | 0.51 | 1.64 |
| | **0.64** | **36.73** |
| | **171.99** | **639.93** |
| Less: provision for doubtful receivables | (0.64) | (36.73) |
| | **171.35** | **603.21** |

## 16 SHARE CAPITAL

(Rs. in Crore)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| **Authorised** | | |
| 150,00,00,000 Equity shares of Rs. 10/- each | 1,500.00 | 1,500.00 |
| | **1,500.00** | **1,500.00** |
| **Issued and Subscribed** | 1,377.32 | 1,377.32 |
| 1,377,317,895 (previous period 1,377,317,895) Equity shares of Rs.10/- each | 1,377.32 | 1,377.32 |
| Less:- Alok Benefit Trust is holding 8,691,000 Equity Shares [Previous Year 19,459,382] of Rs. 10/- of Alok Industries Limited, the sole beneficiary of which is the Company. | (8.69) | (19.46) |
| Add : 13,921 Equity Shares forfeited of Rs. 10/- each, Rs. 5/- paid up | 0.01 | 0.01 |
| | **1,368.64** | **1,357.87** |

### Additional information:

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

| Particulars | As at 31 March 2018 | | As at 31 March 2017 | |
|---|---|---|---|---|
| | No.of shares | Rs.in Crores | No.of shares | Rs.in Crores |
| **Equity shares of Rs.10/- each** | | | | |
| At the beginning of the year | 1,377,317,895 | 1,377.32 | 1,377,317,895 | 1,377.32 |
| Add: Shares issued | - | - | - | - |
| At the end of the year | **1,377,317,895** | **1,377.32** | **1,377,317,895** | **1,377.32** |

a) The above includes, 22,485,000 Equity shares alloted to the shareholders of Grabal Alok Impex Limited during the year ended March 2012, pursuant to the Scheme of Amalgamation for consideration other than cash.

### (ii) Shareholders holding more than 5 percent shares in the Company

| Name of the Shareholder | As at 31 March 2018 | | As at 31 March 2017 | |
|---|---|---|---|---|
| | No of shares | % | No of shares | % |
| Alok Knit Exports Private Limited | 286,998,681 | 20.84% | 295,479,896 | 21.45% |

### (iii) Rights, preferences and restrictions attached to equity shares

The Company has single class of equity shares. Each shareholders is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

## 17 OTHER EQUITY

(Rs. in crores)

| Particulars | As at 31 March 2018 | | As at 31 March 2017 | |
|---|---|---|---|---|
| **Capital Reserve** | | | | |
| Balance as per last Balance Sheet | 14.49 | | 14.49 | |
| Add: Translation difference on restatement | 0.28 | 14.77 | - | 14.49 |
| **Capital Reserve (on Consolidation)** | | | | |
| Balance as per last Balance Sheet | | 14.52 | | 14.52 |
| **Capital Redemption Reserve** | | | | |
| Balance as per last Balance Sheet | | 9.10 | | 9.10 |
| **Note:** | | | | |
| Capital redemption reserve was created during the year ended 31 March 2012, on merger of Grabal Alok Impex Limited (Subsidiary of the Company). This reserve will be utilised in accordance with the provisions of the Companies Act, 2013. | | | | |

| Particulars | As at 31 March 2018 | | As at 31 March 2017 | |
|---|---|---|---|---|
| **Securities premium account** | | | | |
| Balance as per last Balance Sheet | | 993.65 | | 993.65 |
| **Note:** | | | | |
| Securities premium is used to record the excess of the amount received over the face value of the shares. Tis reserve will be utilised in accordance with the provision of the Companies Act, 2013. | | | | |
| **General Reserve** | | | | |
| Balance as per last Balance Sheet | | 280.90 | | 280.90 |
| **Note:** | | | | |
| General reserve is used from time to time to transfer profits from Retained earnings for appropriation purpose. This reserve will be utilised in accordance with the provision of the Companies Act, 2013 | | | | |
| **Debenture Redemption Reserve** | | | | |
| Balance as per last Balance Sheet | 81.97 | | 82.47 | |
| Less: Transferred (from) / to Statement of Profit and Loss (Refer note i below) | - | 81.97 | (0.50) | 81.97 |
| **Note:** | | | | |
| The Company has issued Redeemable Non Convertible Debentures. Accordingly, the Companies (Share Capital and Debentures) Rules, 2014 (as amended), require the Company to create DRR out of the proifts of the Company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of the debentures issued before the redemption of debentures. in view of the loss during the current year and for the year ended 31 March 2016, the Company has not created DRR in respect of Redeemable Non Convertible Debentures. Further, the company has transferred DRR created on the debenture issued and redeemed in the past to retained earnings. | | | | |
| **Foreign Currency Translation Reserve** | | | | |
| Balance as per last Balance Sheet | (250.74) | | (487.63) | |
| Add: for the year | 189.68 | (61.07) | 236.87 | (250.74) |
| **Note:** | | | | |
| Exchange differences arising on translation of the foreign operations are recognised in Other Comprehensive Income as described in Accounting Policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off. | | | | |
| **Foreign Currency Monetary Item Translation Difference Account** | | | | |
| Balance as per last Balance Sheet | (2.09) | | (70.61) | |
| Add : Addition during the year | (0.78) | | 5.66 | |
| Less : Amortisation for the year (Refer note ii below) | 0.55 | (2.32) | 62.86 | (2.09) |
| **Note:** | | | | |
| Exchange differences relating to Long term foreign currency loan has been transferred to this account to be amortised over the balance period of the loan. | | | | |
| **Other Comprehensive Income** | | | | |
| Balance as per last Balance Sheet | (84.99) | | (0.03) | |
| Add: Transferred from Statement of Profit and Loss | 2.26 | (82.74) | (84.96) | (84.99) |
| **Surplus in Statement of Profit and Loss** | | | | |
| Balance as per last Balance Sheet | (725.32) | | 2,357.41 | |
| (Loss)/Profit for the year | (18,578.06) | | (3,083.14) | |
| Items of OCI for the year, net of tax | 8.80 | | (0.09) | |

| Particulars | As at 31 March 2018 | | As at 31 March 2017 | |
|---|---|---|---|---|
| **Less : Appropriations** | | | | |
| (i) Transferred from/(to) Debenture Redemption Reserve (Refer note i below) | - | | 0.50 | |
| | | (19,294.58) | | (725.32) |
| **The (Deficit)/Surplus is arising out of the operations and would be dealt with accordingly.** | | **(18,045.80)** | | **331.49** |

**Note:**

(i) Due to loss during the year and deficit in the Statement of Profit & Loss at the year end, no amount has been transferred to Debenture redemption reserve. Further, the amount transferred from Debenture redemption reserve to Statement of Profit & Loss is on account of redemption of debentures during the year 2016-2017 for which Debenture redemption reserve was created in the past.

(ii) Amortisation for the year Includes Rs. Nil (Previous year Rs. 59.24 crore) on account of long term advance received from customer for which the Company has given Export Performance Bank Guarantee which has been invoked by the customer during the year.

**18 BORROWINGS**

(Rs. in Crore)

| Particulars | | As at 31 March 2018 | | | As at 31 March 2017 | | |
|---|---|---|---|---|---|---|---|
| | | Overdue | Current Maturities | Non Current | Overdue | Current Maturities | Non Current |
| Debentures/Bonds | | | | | | | |
| Debentures (Secured) (Refer note no. (i) and (vii) below) | (i) | 447.65 | 108.34 | 75.00 | 236.83 | 108.33 | 183.34 |
| Zero coupon debentures from related party (Unsecured) | (ii) | - | 250.42 | 226.84 | - | 249.63 | 214.68 |
| Refer note no 49(B)(a) and (ii) below | | | | | | | |
| Term Loans (Secured) (Refer note no. (iii) , (iv) and (vii) below) | | | | | | | |
| (a) From banks | | | | | | | |
| -Rupee Loans | | 4,337.46 | 1,215.16 | 6,439.72 | 1,949.20 | 1,391.98 | 7,657.15 |
| -Foreign currency loans | | 594.09 | 425.07 | 351.99 | 148.83 | 142.69 | 829.82 |
| | (iii) | **4,931.55** | **1,640.23** | **6,791.71** | **2,098.03** | **1,534.67** | **8,486.97** |
| (b) From Financial Institutions | | | | | | | |
| -Rupee Loans | | 494.53 | 203.04 | 273.25 | 196.98 | 120.35 | 376.28 |
| -Foreign currency loans | | 169.25 | - | - | 149.13 | - | - |
| | (iv) | **663.78** | **203.04** | **273.25** | **346.11** | **120.35** | **376.28** |
| | | **5,595.33** | **1,843.27** | **7,064.96** | **2,444.14** | **1,655.02** | **8,863.24** |
| Term Loans (Unsecured) (Refer note no. (v) and (vii) below) | | | | | | | |
| From Banks | | | | | | | |
| -Rupee Loans | | 53.35 | - | - | - | 30.41 | - |
| -Foreign Currency Loans | | 73.29 | - | - | 43.88 | 17.55 | 0.00 |
| | (v) | **126.64** | **-** | **-** | **43.88** | **47.96** | **0.00** |
| Other loans & advances (Refer note no. (vi) below) | | | | | | | |
| Vehicle loan from Banks (Secured) (Secured by vehicles under hypothecation with banks) | (vi) | 0.06 | 0.12 | 0.36 | - | 0.40 | 0.48 |
| | **(i) to (vi)** | **6,169.68** | **2,202.15** | **7,367.16** | **2,724.85** | **2,061.34** | **9,261.75** |

**Additional information :**

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

| Particulars | Nos | 31 March 2018 (Rs. Crores) | 31 March 2017 (Rs. 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 |
| 13.00% Redeemable Non convertible Debentures | 334 | 33.34 | 33.34 | 18-Oct-18 |
| 12.00% Redeemable Non convertible Debentures | 375 | 37.50 | 37.50 | 01-Aug-18 |
| 12.00% Redeemable Non convertible Debentures | 375 | 37.50 | 37.50 | 01-Feb-18 |
| 13.00% Redeemable Non convertible Debentures | 333 | 33.33 | 33.33 | 18-Oct-17 |
| 12.00% Redeemable Non convertible Debentures | 375 | 37.50 | 37.50 | 01-Aug-17 |
| 14.50% 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 |
| 13.00% Redeemable Non convertible Debentures | 333 | 33.33 | 33.33 | 18-Oct-16 |
| 12.00% Redeemable Non convertible Debentures | 375 | 37.50 | 37.50 | 01-Aug-16 |
| 11.50% Redeemable Non convertible Debentures | 560 | 56.00 | 56.00 | 29-Jun-16 |
| 14.50% Redeemable Non convertible Debentures | 367 | 35.84 | 35.84 | 02-Mar-16 |
| Accrued Interest | | 102.49 | - | |
| **Total** | | **630.99** | **528.50** | |

b) All the debentures are secured by pari passu charge on the immovable property situated at Mouje Irana, Taluka Kadi, District Mehsana in the state of Gujarat. Further, Debentures of Rs. 300 Crores are secured by first pari passu charge created on fixed assets of the company and Debentures of Rs. 229 Crores are secured by subservient charge on fixed and current assets of the Company (excluding Land and Building).

(ii) 38,500 Zero coupon debentures are redeemable or convertible on 30th September 2016 and 38,905 Zero coupon debentures on 24th March 2019, as mutually agreed between issuer and holder.

**(iii) Security for term loans**

(Rs. in Crores)

| Nature of security | Banks | Financial Institutions | Total |
|---|---|---|---|
| Exclusive charge on Plant & Machinery and specific assets financed * | 480.48 | - | 480.48 |
| | (395.82) | - | (395.82) |
| Pari pasu first charge on all immovable fixed assets of the Company | - | - | - |
| | | | |
| Pari passu first charge created on the entire fixed assets of the Company # | 12,316.39 | 970.82 | 13,287.21 |
| | (11,387.97) | (628.98) | (12,016.95) |
| Subservient charge on all movable and current assets of the Company @ | 566.64 | 169.25 | 735.89 |
| | (790.88) | (149.13) | (940.01) |
| First charge on current assets of the Company @ | - | - | - |
| | | | |
| Fixed deposit placed with the bank. | - | - | - |
| | - | - | - |
| **TOTAL** | **13,363.51** | **1,140.06** | **14,503.57** |
| | **(12,574.66)** | **(778.11)** | **(13,352.78)** |

* Includes loans aggregating to Rs. 81.27 crores (Previous period Rs. 69.82 crores) which are further secured by personal guarantees of promoter directors / corporate guarantee of promoter group companies.

# Includes bank loans aggregating to Rs. 2284.50 crores (Previous period Rs. 2204.20 crores) & Financial Institution loans aggregating to Rs. 100 crores (previous period Rs. 100 crores) which are further secured by personal guarantees of promoter directors / corporate guarantee of promoter group Companies.

# Includes bank loans aggregating to Rs. 519.88 Crores (Previous period Rs. 519.88 crores) secured by charge created on part of the investment property.

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

## (iv) Terms of Repayment of Secured Term Loan

### a) Non-current

(Rs. in Crore)

| Particulars | Rate of Interest | 1-2 Years | 2-3 Years | 3-4 Years | Beyond 4 Years | Total |
|---|---|---|---|---|---|---|
| Rupee Term Loan From Bank | 9.45% - 18.50% | 980.78 | 882.11 | 1,020.55 | 3,556.28 | 6,439.72 |
| | (10% - 16%) | (1,226.32) | (996.81) | (882.11) | (4,576.83) | (7,682.07) |
| Foreign Currency Term Loan From Banks | 1.03% - 5.51% | 142.77 | 130.51 | 68.55 | 10.16 | 352.00 |
| | (1.30% - 7.30%) | (419.65) | (119.23) | (125.13) | (75.22) | (739.23) |
| Rupee Term Loan From Financial Institutions | 9.00% - 15.00% | 78.04 | 80.38 | 20.74 | 94.09 | 273.25 |
| | (9.00% - 15.00%) | (103.04) | (78.04) | (80.38) | (114.83) | (376.28) |
| Foreign Currency Term Loan From Financial Institutions | - | - | - | - | - | - |
| | | (-) | (-) | (-) | (-) | - |
| **Total** | | **1,201.59** | **1,093.00** | **1,109.85** | **3,660.53** | **7,064.97** |
| | | **(1,749.00)** | **(1,194.07)** | **(1,087.62)** | **(4,766.89)** | **(8,797.58)** |

* Rate of interest is without considering interest subsidy under TUF Scheme and penal interest

### b) Current

(Rs. in Crore)

| Particulars | Rate of Interest | Overdue | Current Maturities |
|---|---|---|---|
| Rupee Term Loan From Banks | 9.45% - 18.50% | 4,337.46 | 1,215.16 |
| | (10% - 16%) | (1,949.19) | (1,391.98) |
| Foreign Currency Term Loan From Banks | 1.03% - 5.51% | 594.09 | 425.07 |
| | (1.30% - 7.50%) | (148.83) | (142.69) |
| Rupee Term Loan From Financial Institutions | 9.00% - 15.00% | 494.53 | 203.04 |
| | (9.00% - 15.00%) | (196.98) | (120.35) |
| Foreign Currency Term Loan From Financial Institutions | 3.44% - 3.44% | 169.25 | - |
| | (2.96% - 5.40%) | (149.13) | - |
| **Total** | | **5,595.33** | **1,843.26** |
| | | **(2,444.14)** | **(1,655.01)** |

## (v) Terms of Repayment of Unsecured Term Loan

(Rs. in Crore)

| Particulars | Rate of Interest | 1-2 Years | 2-3 Years | 3-4 Years | Beyond 4 Years | Total |
|---|---|---|---|---|---|---|
| Rupee Loan From Banks | 11.50% - 11.50% | - | - | - | - | - |
| | 10.00% - 12.00% | (-) | (-) | (-) | (-) | - |
| Foreign Currency Term Loan From Banks | 1.95% - 6.78% | - | - | - | - | - |
| | (3.25% - 4.25%) | (-) | (-) | (-) | (-) | - |

## (vi) Terms of repayment of other loans and advances

(Rs. in Crore)

| Nature of security | Banks |
|---|---|
| Vehicle loans are secured by vehicles under hypothecation with banks | 0.48 |
| | (0.88) |

| Particulars | 1-2 Years | 2-3 Years | 3-4 Years | Beyond 4 Years | Total |
|---|---|---|---|---|---|
| Vehicle Loan | 0.13 | 0.35 | - | - | 0.48 |
| | (0.13) | (0.35) | - | (-) | (0.48) |

## (vii) The Company has defaulted in repayment of principal and interest payments. The period and amount of continuing defaults as on the Balance sheet date are as under:

### a) Principal amounts:

(Rs. in Crore)

| Particulars | 0-30 days | 31-90 days | 91-180 days | Above 180 days | Total |
|---|---|---|---|---|---|
| a) Debentures | - | 37.50 | 33.33 | 376.82 | 447.65 |
| | **(36.66)** | **(37.50)** | **(33.33)** | **(129.34)** | **(236.83)** |
| b) Term Loans | | | | | |
| - <u>Secured</u> | | | | | |
| From banks : | | | | | |
| - Rupee Loans | 190.71 | 438.78 | 303.83 | 3,404.14 | 4,337.46 |
| | **(230.93)** | **(340.88)** | **(204.16)** | **(1,145.88)** | **(1,921.84)** |
| - Foreign currency loans | 41.86 | 20.59 | 29.82 | 501.82 | 594.09 |
| | **(3.36)** | **(22.43)** | **(21.28)** | **(101.77)** | **(148.83)** |
| From Financial Institutions : | | | | | |
| - Rupee Loans | 26.06 | 5.29 | 27.31 | 435.86 | 494.53 |
| | (25.16) | (3.26) | (25.76) | (218.31) | (272.49) |
| - Foreign currency loans | 0.81 | (0.43) | - | 168.87 | 169.25 |
| | (-) | (-) | (-) | (149.13) | (149.13) |
| - <u>Unsecured</u> | | | | | |
| From banks : | | | | | |
| - Rupee Loans | 4.82 | 7.59 | 4.50 | 36.44 | 53.35 |
| | (-) | (-) | (-) | (-) | - |
| - Foreign currency loans | 8.16 | 5.73 | 4.23 | 55.17 | 73.29 |
| | (-) | (3.37) | (2.62) | (37.90) | (43.88) |
| **Total** | **272.43** | **515.06** | **403.03** | **4,979.11** | **6,169.62** |
| | **(296.11)** | **(407.43)** | **(287.14)** | **(1,782.32)** | **(2,772.99)** |

### b) Interest:

(Rs. in Crore)

| Particulars | 0-30 days | 31-90 days | 91-180 days | Above 180 days | Total |
|---|---|---|---|---|---|
| a) Debentures | 59.52 | 16.81 | - | 97.02 | 173.35 |
| | (22.21) | (18.02) | - | (124.12) | (164.34) |
| b) Term Loans | | | | | |
| - Secured | | | | | |
| From banks : | | | | | |
| - Rupee Loans | 865.19 | 264.59 | - | 1,681.49 | 2,811.27 |
| | (286.87) | (175.86) | (243.64) | (1,009.94) | (1,716.32) |
| - Foreign currency loans | 32.90 | 13.18 | - | 48.12 | 94.19 |
| | (6.07) | (12.15) | (0.51) | (39.06) | (57.80) |
| From Financial Institutions : | | | | | |
| - Rupee Loans | 83.86 | 22.77 | - | 140.88 | 247.51 |
| | (18.63) | (27.07) | (22.66) | (186.23) | (254.59) |
| - Foreign currency loans | 3.45 | 1.26 | - | 1.33 | 6.03 |
| | (1.27) | (1.66) | - | (16.23) | (19.15) |
| - Unsecured | | | | | |
| From banks : | | | | | |
| - Rupee Loans | 0.21 | 0.42 | - | 1.43 | 2.06 |
| | (0.96) | (1.11) | - | (4.37) | (6.44) |
| - Foreign currency loans | 0.79 | 0.33 | - | 1.35 | 2.46 |
| | - | - | - | - | - |
| **Total** | **1,045.90** | **319.36** | **-** | **1,971.60** | **3,336.87** |
| | **(336.01)** | **(235.87)** | **(266.82)** | **(1,379.96)** | **(2,218.64)** |

Previous period figures are given in brackets.

### 19 PROVISIONS

(Rs. in Crore)

| Particulars | As at 31 March 2018 | | | As at 31 March 2017 | | |
|---|---|---|---|---|---|---|
| | Long term | Short term | Total | Long term | Short term | Total |
| For employee benefits | 35.70 | 5.69 | 41.39 | 37.24 | 8.21 | 45.45 |
| Provision for taxation (net of advance tax) | - | - | - | - | - | - |
| Others | - | 1.19 | 1.19 | - | 0.90 | 0.90 |
| **Total** | **35.70** | **6.88** | **42.58** | **37.24** | **9.11** | **46.35** |

### 20 OTHER LONG-TERM LIABILITIES

(Rs. in Crore)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| Advance from customers | 0.02 | 0.02 |
| | **0.02** | **0.02** |

### 21 CURRENT TAX LIABILITIES

(Rs. in Crore)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| Provision for taxation (net of advance tax) | 121.53 | 77.63 |
| | **121.53** | **77.63** |

## 22 BORROWINGS

(Rs. in Crore)

| Particulars | As at 31 March 2018 | | As at 31 March 2017 | |
|---|---|---|---|---|
| **Working capital loans** | | | | |
| Cash Credit accounts, working capital demand loan etc. (Secured) (Refer note no. (ii) below) | | | | |
| From Banks (Includes Rs. 126.79 Crores (Previous period Rs.126.39 Crores) loans in foreign currency) | 9,727.05 | | 9,509.46 | |
| From Financial Institutions / Others | 180.05 | | 160.39 | |
| From Banks / Financial Institutions / Others (Unsecured) | 95.63 | 10,002.73 | 12.36 | 9,682.22 |
| **Short term loan** | | | | |
| Secured (Refer note no. (iii) and (iv) below) | | | | |
| Rupee Loans | | | | |
| From Financial Institutions | 114.49 | 114.49 | 75.50 | 75.50 |
| Inter Corporate Deposit (Secured) $ | | 28.68 | | 113.09 |
| Inter Corporate Deposit (Unsecured) | | 2.52 | | 61.81 |
| Temporary Overdrawn Bank Balances | | 0.45 | | 1.44 |
| From Related party (Unsecured) (Refer note no 42(B)(b)) | | 578.28 | | 576.45 |
| **Overdue / Recalled loans** | | | | |
| **Non Convertible Debentures** | | | | |
| Debenture (Secured) (Refer note no. 18(i) (vii) above) | | 447.65 | | 236.83 |
| **Long term borrowings** | | | | |
| Secured (Refer note no. 18(i) (vii) above) | | | | |
| From Banks | | | | |
| Rupee Loans | 4,337.46 | | 1,949.19 | |
| Foreign currency loans | 594.09 | 4,931.55 | 148.83 | 2,098.03 |
| From Financial Institutions | | | | |
| Rupee Loans | 494.53 | | 196.98 | |
| Foreign currency loans | 169.25 | 663.78 | 149.13 | 346.11 |
| Unsecured | | | | |
| From Banks | | | | |
| Rupee Loans | 53.35 | | 16.50 | |
| Foreign currency loans | 73.29 | 126.64 | 43.88 | 60.38 |
| Hire Purchase Loans | | 0.06 | | 0.06 |
| **Short term borrowings** | | | | |
| **Demand Loan** | | | | |
| Secured (Refer (iii) and (iv) below) | | | | |
| From Financial Institutions | | | | |
| Rupee Loans | | 444.05 | | 334.50 |
| Unsecured | | | | |
| Foreign currency loans | | | | |
| From Financial Institutions | | 505.05 | | 596.29 |
| | | **17,845.93** | | **14,182.71** |

## Additional information:

### Disclosure of security

(Rs. in Crore)

| Nature of security | | Banks | Financial Institutions | Total |
|---|---|---|---|---|
| **(i)** | **Debentures** | | | |
| | First mortgage charge created on investment property of the company | - | - | - |
| | | (-) | (-) | (-) |
| **(ii)** | **Security for working capital loans :** | | | |
| | (a) Hypothecation of company's current assets and mortgage of certain immovable properties belonging to the company / Guarantor. # | 9,636.72 | 180.05 | 9,816.77 |
| | | (9,259.04) | (160.37) | (9,419.41) |
| | (b) Second charge created / to be created on all fixed assets (excluding land and building) of the company # | | | |
| | Subservient charge created on all moveable and current assets of the company and further secured by personal guarantees of promoter directors * | 90.77 | - | 90.77 |
| | | (90.48) | (0.01) | (90.49) |
| | Fixed and floating charge over the assets of the company and personal guarantee of directors | - | - | - |
| | | (-) | (-) | - |
| | Pledge of certain immovable assets | | | - |
| | | (-) | (-) | - |
| | **Total** | **9,727.49** | **180.05** | **9,907.53** |
| | | **(9,349.52)** | **(160.38)** | **(9,509.90)** |
| **(iii)** | **Security for short term loans** | | | |
| | (a) Hypothecation of company's current assets on first pari passu basis. | - | - | - |
| | | (-) | (-) | - |
| | Pari Passu first charge on the entire fixed assets of the company * | - | - | - |
| | | (-) | (-) | (-) |
| | Subservient charge on all moveable and current assets of the Company @ | - | 114.48 | 114.48 |
| | | - | (75.50) | (75.50) |
| | Fixed Deposit placed with the bank. | - | - | - |
| | | (-) | (-) | (-) |
| | **Total** | **-** | **114.48** | **114.48** |
| | | **(-)** | **(75.50)** | **(75.50)** |
| | **Security for demand loans** | | | |
| | (a) Second charge created on all immovable properties of the Company situated at Vapi & Silvassa. | - | 444.05 | 444.05 |
| | | - | (334.50) | (334.50) |
| | **Total** | **-** | **444.05** | **444.05** |
| | | **(-)** | **(334.50)** | **(334.50)** |

# Includes Bank loans aggregating Rs. 2329.62 Crores (Previous period Rs. 2295.20 Crores) for which charge is being created on part of investment property.

* Includes Bank loans aggregating Rs. 43.69 Crores (Previous period Rs. 43.55 Crores) secured by charge created / is being created on part of the investment property.

@ Includes Bank loans aggregating Rs. 77.76 Crores (Previous period Rs. 75.50 Crores) secured by charge created / is being created on part of the investment property.

$ Includes Rs. Nil (Previous period Rs. 64.60 crores Secured by first charge on three floors of Peninsula Business Park owned by Alok Infrastructure Limited, wholly owned subsidiary of the Company and Rs.28.68 crores (previous period Rs. 48.49 crores secured by second charge on one floor of Peninsula Business Park owned by Alok Infrastructure Limited, wholly owned subsidiary of the company.

(iv) The Company has defaulted in repayment of principal and interest payments. The period and amount of continuing default as on the Balance sheet date are as under:

**a) Principal amounts:** (Rs. in Crore)

| Particulars | 0-30 days | 31-90 days | 91-180 days | Above 180 days | Total |
|---|---|---|---|---|---|
| **Secured** | | | | | |
| Rupee loans | | | | | |
| From Banks | | | - | - | - |
| | (43.25) | (0.60) | (-) | (-) | (43.85) |
| From Financial Institutions | 6.19 | 16.36 | 11.31 | 486.03 | 519.89 |
| | (-) | (-) | (-) | (334.50) | (334.50) |
| **Unsecured** | | | | | |
| Foreign currency loans | | | | | |
| From Financial Institutions | 80.12 | (1.36) | - | 426.29 | 505.05 |
| | (-) | (-) | (-) | (596.29) | (596.29) |
| **Total** | 86.30 | 15.00 | 11.31 | 912.32 | 1,024.94 |
| | (43.25) | (0.60) | (-) | (930.79) | (974.64) |

**b) Interest :** (Rs. in Crore)

| Particulars | 0-30 days | 31-90 days | 91-180 days | Above 180 days | Total |
|---|---|---|---|---|---|
| **Secured** | | | | | |
| -Rupee loans | | | | | |
| From Banks | 1.47 | 2.35 | 3.46 | 10.96 | 18.23 |
| | (0.58) | (0.08) | (0.05) | 0.04 | (0.67) |
| -Rupee loans | | | | | |
| From Financial Institutions | (0.95) | 2.86 | - | 23.34 | 25.25 |
| | (9.89) | (10.98) | (9.72) | (29.85) | (60.44) |
| -Foreign Currency Loan | | | | | |
| From Banks | 18.19 | 7.86 | - | 14.91 | 40.95 |
| | (8.39) | (10.24) | (-) | (18.62) | (37.24) |
| From Financial Institution | - | - | - | - | - |
| | (-) | (-) | (-) | (74.48) | (74.48) |
| -Working capital loans | 819.34 | 238.28 | - | 1,630.68 | 2,688.30 |
| | (446.95) | (243.79) | (95.60) | (338.44) | (1,124.79) |
| -Inter Corporate Deposits | 16.28 | 2.91 | - | 13.43 | 32.62 |
| | (9.13) | (3.22) | (-) | (20.36) | (32.71) |
| **TOTAL** | **854.33** | **254.24** | **3.46** | **1,693.31** | **2,805.34** |
| | (474.94) | (268.30) | (105.38) | (481.70) | (1,330.32) |

Previous period figures are given in brackets

**23 TRADE PAYABLE**

(Rs. in Crore)

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises | 11.91 | 12.55 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| Acceptances | 143.93 | 253.24 |
| Other than Acceptances | 675.04 | 945.71 |
| Creditors for Services | 232.21 | 244.73 |
| | **1,063.09** | **1,456.23** |

Refer note no 49(B)(e) for related party balance.
* As per infromation available with the company
Additional information for Micro & Small enterprises:

(Rs. in Crore)

| **Particulars** | | **As at 31 March 2018** | **As at 31 March 2017** |
|---|---|---|---|
| (i) | Principal amount remaining unpaid to any supplier As at the end of the accounting period | 11.91 | 12.55 |
| (ii) | Interest due thereon remaining unpaid to any supplier As at the end of the accounting period | 13.31 | 9.99 |
| (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 | 1.41 | 3.32 |
| (v) | The amount of interest accrued and remaining unpaid at the end of the accounting period | 14.72 | 13.31 |
| (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 | 0.69 | 0.37 |

The above information has been determined on the basis of information available with the Company.

**24 OTHER FINANCIAL LIABILITIES**

(Rs. in Crore)

| **Particulars** | **As at 31 March 2018** | **As at 31 March 2017** |
|---|---|---|
| Current maturities of long-term borrowings (Refer note no. 18) | 2,202.15 | 2,061.33 |
| Interest accrued but not due on borrowings | 10.07 | 13.17 |
| Interest accrued and due | 6,241.30 | 3,558.42 |
| Creditors for Capital Goods | 27.41 | 23.29 |
| Unclaimed dividends (Refer note below) | 0.86 | 0.86 |
| Other Payable | 28.74 | 42.71 |
| | **8,510.53** | **5,699.78** |

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

**25 OTHER CURRENT LIABILITIES**

(Rs. in Crore)

| **Particulars** | **As at 31 March 2018** | **As at 31 March 2017** |
|---|---|---|
| Other payables | | |
| Advance from customers | 224.52 | 200.45 |
| Towards statutory liabilities | 20.09 | 33.46 |
| Others | 182.09 | 58.21 |
| | **426.70** | **292.12** |

## 26 REVENUE FROM OPERATIONS

(Rs. in Crore)

| **Particulars** | | **Year ended 31 March 2018** | | **Year ended 31 March 2017** | |
|---|---|---|---|---|---|
| a) | Sale of product (Net of returns) | | | | |
| | Sales - Local (inclusive of excise duty upto 30.06.2017) | 4,431.59 | | 7,182.41 | |
| | Less : Discount | (15.93) | 4,415.66 | (1.52) | 7,180.89 |
| | Sales - Export | 1,089.16 | | 1,661.34 | |
| | Less : Discount | (7.56) | 1,081.60 | (8.46) | 1,652.88 |

(Rs. in Crore)

| Particulars | Year ended 31 March 2018 | | Year ended 31 March 2017 | |
|---|---|---|---|---|
| b) Sale of services | | | | |
| Job work charges collected | | 59.06 | | 79.07 |
| | | | | |
| c) Other operating revenue | | | | |
| Sale of Scrap | | 5.76 | | 6.59 |
| **Total** | | **5,562.08** | | **8,919.42** |

## 27 OTHER INCOME

(Rs. in Crore)

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|---|---|
| **Interest Income :** | | |
| On Long Term Investments | | |
| - Bank fixed deposits | 5.84 | 10.70 |
| - Interest on investment | 3.92 | 0.06 |
| - Others | 10.43 | 12.84 |
| | **20.19** | **23.60** |
| **Dividend Income :** | | |
| On Long Term Investments | 0.01 | 0.01 |
| | **0.01** | **0.01** |
| Profit on sale of fixed assets (net) | 59.16 | 0.76 |
| (Loss) / Profit On Sale Of DEPB | 1.61 | - |
| Exchange rate difference (net) | 14.64 | - |
| Rent received | 2.65 | 3.25 |
| Sundry credit balances written back | 19.50 | 30.86 |
| Other non operating Income | 138.85 | 7.10 |
| | **236.41** | **41.97** |
| | **256.61** | **65.58** |

## 28 COST OF MATERIALS CONSUMED

(Rs. in Crore)

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|---|---|
| **Raw Material Consumed** | | |
| Opening Stock | 2,919.98 | 7,667.66 |
| Add: Purchases | 2,425.15 | 2,940.67 |
| Less: Closing Stock | (66.38) | (2,919.98) |
| | **5,278.74** | **7,688.36** |

## 29 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Rs. in Crore)

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|---|---|
| **CLOSING STOCK AS ON 31 MARCH** | | |
| Finished Goods | 170.83 | 206.01 |
| Work-in-progress | 183.95 | 148.21 |
| Stock in Trade (Traded Goods) | 9.59 | 7.52 |
| | **364.37** | **361.74** |
| **LESS : OPENING STOCK AS ON 1 APRIL** | | |
| Finished Goods | 206.01 | 228.81 |
| Work-in-progress | 148.22 | 230.13 |
| Stock in Trade (Traded Goods) | 7.52 | 117.58 |
| | **361.75** | **576.52** |
| | **2.62** | **(214.78)** |

## 30 EMPLOYEE BENEFIT EXPENSES

(Rs. in Crore)

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|---|---|
| Salaries and Wages | 287.59 | 298.70 |
| Contribution to Provident and Other Funds | 27.50 | 22.28 |
| Employees welfare expenses | 8.10 | 8.09 |
| | **323.19** | **329.07** |

## 31 FINANCE COSTS

(Rs. in Crore)

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|---|---|
| Interest expense: (Refer Note no. 46) (Net of interest subsidy Rs. Nil Crores (Previous period Rs. 0.63 Crores)) | 4,652.96 | 3,227.60 |
| Interest on late payment of taxes | 6.61 | 7.37 |
| Other borrowing cost | 51.76 | 206.83 |
| | **4,711.33** | **3,441.80** |

## 32 DEPRECIATION AND AMORTISATION EXPENSE

(Rs. in Crore)

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|---|---|
| Depreciation of Property Plant and Equipment (See Note 2) | 540.61 | 553.02 |
| Amortization of Intangible Assets (See Note 2) | 2.86 | 6.43 |
| Depreciation on Investment Properties (See Note 3) | 1.14 | 1.26 |
| | **544.61** | **560.71** |

## 33 OTHER EXPENSES

(Rs. in Crore)

| Particulars | Year ended 31 March 2018 | | Year ended 31 March 2017 | |
|---|---|---|---|---|
| Business Promotion Expenses | | 0.05 | | 0.03 |
| Stores and Spares Consumed | | 70.45 | | 72.32 |
| Packing Materials Consumed | | 114.46 | | 100.75 |
| Power and Fuel | | 400.05 | | 411.96 |
| Processing Charges | | 36.61 | | 33.66 |
| Labour Charges | | 61.45 | | 64.81 |
| Donation | | 0.13 | | 0.02 |
| Freight, Coolie and Cartage | | 47.83 | | 64.47 |
| Legal and Professional Fees | | 17.57 | | 111.35 |
| Rent | | 15.16 | | 104.86 |
| Rates and Taxes | | 5.66 | | 42.43 |
| Repairs and Maintenance | | | | |
| Plant and Machinery | 10.68 | | 9.03 | |
| Factory Building | 3.72 | | 1.57 | |
| Others | 4.43 | | 11.55 | |
| | | **18.83** | | **22.15** |
| Commission on Sales | | 38.75 | | 36.11 |
| Exchange rate difference (net) | | (6.02) | | 0.13 |
| Provision for Doubtful Debts (Refer Note no. 37) | | 10,975.09 | | 184.07 |
| Provision for Doubtful Advances (Refer Note no. 37) | | 534.86 | | 273.08 |
| Bad debts and other advances written off (net) (Refer Note no. 37) | | 878.26 | | (1.04) |
| Sundry Balance Written back | | 23.87 | | - |
| Directors Remuneration | | 5.80 | | 6.44 |
| Directors Fees and Commission | | 0.01 | | 0.04 |
| Auditors' remuneration (excluding service tax) | | | | |
| Audit and related fees | 1.99 | | 2.25 | |
| Tax related services | - | | 0.01 | |
| Certification fees | 0.10 | 2.09 | 0.01 | 2.27 |
| Insurance | | 9.78 | | 22.96 |
| Loss on sale of long term investment (net) | | 45.41 | | - |
| Loss on sale of fixed assets (net) | | 0.14 | | 131.01 |
| Diminution in value of investment (Refer Note no. ) | | 42.32 | | 103.99 |
| Provision for impairment of fixed assets and intangibles (Refer Note no. 61) | | 35.41 | | 25.19 |
| Sundry Balance Written off | | 66.60 | | - |
| CIRP Expenses | | 12.31 | | - |
| Miscellaneous Expenses (Miscellaneous expenses includes Bank charges, Agency and clearing charges, security expenses etc.) | | 20.78 | | 96.72 |
| | | **13,473.71** | | **1,909.79** |

**34** Alok Industries Limited ("Parent Company") was admitted under the corporate insolvency resolution ("CIR") process in terms of the Insolvency and Bankruptcy Code, 2016 ("Code"), vide an order dated 18 July 2017 of the Hon'ble National Company Law Tribunal, Ahmedabad ("Adjudicating Authority"). Pursuant to the said order, Mr. Ajay Joshi was appointed as the interim resolution professional for the Company and was subsequently confirmed as the resolution professional ("RP"). During the CIR process, only one resolution plan ("Resolution Plan") was received from JM Financial Asset Reconstruction Company Limited, JM Finance ARC Trust and Reliance Industries Limited jointly ("Resolution Applicants"). This Resolution Plan was not approved by the Committee of Creditors ("COC") with the requisite majority as required then under Section 30 (4) of the Code (which was 75% of assenting voting share). Under the provisions of the Code, the RP filed a liquidation application on 16th April, 2018 before the Adjudicating Authority.

Pursuant to promulgation of the Insolvency and Bankruptcy (Amendment) Ordinance dated 6 June 2018 ("Ordinance"), the voting threshold for approval of Resolution Plan was reduced from 75% to 66%. The Adjudicating Authority in an application by Alok Employees Benefit & Welfare Trust passed an order dated 11 June 2018 directing the Resolution Professional to present the Resolution Plan of the sole Resolution Applicants before COC to re-look and consider the Resolution Plan as per the Ordinance. Accordingly, in compliance with the said order, the Resolution Plan submitted jointly by the Resolution Applicants was again placed before the COC for approval under Section 30 (4) of the Code (as amended by the Ordinance). The Resolution Plan was approved by the COC with 72.192% assenting voting share. Subsequently, vide its order dated 25th June, 2018, the Adjudicating Authority granted liberty to the RP to withdraw the liquidation application filed by it and file an application for approval of Resolution Plan. Accordingly, the RP withdrew the liquidation application and filed the resolution plan for approval of the Adjudicating Authority. Vide an order dated 17 July 2018, the Adjudicating Authority dismissed the liquidation application. The application filed by the RP for approval of Resolution Plan is currently pending adjudication by the Adjudicating Authority.

Post the commencement of the CIR process, the parent company is continuing to operate as a going concern in terms of the Code. Currently, the application for approval of the Resolution Plan is pending with the Adjudicating Authority and therefore the financial statements are being presented on a going concern basis.

**35** Certain financial creditors of the parent company have filed various applications before the Adjudicating Authority as well as the Hon'ble National Company Law Appellate Tribunal, New Delhi ("Appellate Tribunal"), inter alia, challenging the Resolution Plan of the parent company. These applications are pending adjudication by the respective tribunals. In the event, the Adjudicating Authority/Appellate Tribunal (or any subsequent appeals) result in the rejection of the Resolution Plan, the parent company may be ordered to be liquidated by the Adjudicating Authority/Appellate Tribunal/subsequent appellate authority.

**36** During the year, the parent company has incurred a net loss of Rs. 18,206.82 crores and as of 31 March 2018, the parent company's accumulated losses amounted to Rs. 17,943.92 crores, as against the parent company's Net worth of Rs. 2,995.74 crores as at 31 March 2017. Total liabilities of the parent company as on 31 March 2018 exceeded total assets by Rs. 15,200.53 crores.

**37** During the financial year, the parent company discontinued its business of trading in fabrics with effect from 01 July 2017. The Management has informed the RP that the trading business with a highly fragmented customer base experienced significant tightening of liquidity and has resulted into continuing payment defaults by customers. The parent company has written off Rs. 585.51 crores and made provision for the entire balance amount of outstanding trading debtors of Rs. 10,952.51 crores during the year as per the Accounting policy followed by the Company.

In compliance with his duties under the Code, the RP has made an application under Section 60(5) seeking directions of the Adjudicating Authority for further steps in this matter. The said application is currently pending adjudication before the Adjudicating Authority.

**38** The subsidiary companies considered in the consolidated financial statements are:

| Sr. No. | Name of the subsidiary companies | Country of Incorporation | Ownership Interest 31 March 2018 | Ownership Interest 31 March 2017 |
|---|---|---|---|---|
| 1 | Alok Infrastructure Limited | India | 100% | 100% |
| 2 | Alok International Inc. * | USA | 100% | 100% |
| 3 | Mileta, a. s.* | Czech Republic | 100% | 100% |
| 4 | Alok Industries International Limited | British Virgin Island | 100% | 100% |
| 5 | Grabal Alok International Limited | British Virgin Island | 100% | 100% |
| 6 | Grabal Alok (UK) Limited ** | UK | - | 99.87% |
| 7 | Alok Singapore Pte Ltd. | Singapore | 100% | 100% |
| 8 | Alok International (Middle East) FZE | Dubai | 100% | 100% |
| 9 | Alok Worldwide Limited | British Virgin Island | 100% | 100% |
| 10 | Alok Global Trading (Middle East) FZE | Dubai | 100% | 100% |

* Consolidated based on unaudited financial statement / information.

** Grabal Alok (UK) Limited went under liquidation process in the United Kingdom with effect from 10 July 2017. Hence not considered for consolidation for the year.

**39 Joint venture companies considered in the consolidated financial statements are:**

| Sr. No. | Name of the joint venture companies | Country of Incorporation | Ownership Interest 31 March 2018 | Ownership Interest 31 March 2017 |
|---|---|---|---|---|
| 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% |

**40 The Associate companies considered in the consolidated financial statements are:**

| Sr. No. | Name of the associates | Country of Incorporation | Ownership Interest 31 March 2018 | Ownership Interest 31 March 2017 |
|---|---|---|---|---|
| 1 | Ashford Infotech Private Limited * | India | - | 50.00% |
| 2 | Alspun Infrastructure Limited * | India | - | 50.00% |

* Investment in associate Company sold out during the year 2017-18

**41 Disclosure of additional information pertaining to the parent company, subsidiaries, associates and joint venture companies :** (Rs. in crores)

| Sr. No. | Name of the company | Net Assets (Total assets minus total liabilties) | | | | Share in Total Comprehensive Income | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | 31 March 2018 | | 31 March 2017 | | 31 March 2018 | | 31 March 2017 | |
| | | As % of consolidated net assets | Amount | As % of consolidated net assets | Amount | As % of consolidated Total Comprehensive Income | Amount | As % of consolidated Total Comprehensive Income | Amount |
| **Parent Company** | | | | | | | | | |
| | Alok Industries Limited | 91.15% | (15,200.53) | 177.33% | 2,995.73 | 98.06% | (18,206.81) | 110.56% | (3,502.68) |
| **Subsidiaries** | | | | | | | | | |
| Indian | | | | | | | | | |
| 1 | Alok Infrastructure Limited | 4.72% | (786.39) | -33.90% | (572.67) | 1.15% | (213.72) | 12.61% | (399.52) |
| Foreign | | | | | | | | | |
| 1 | Alok Industries International Limited | 10.00% | (1,667.34) | -78.43% | (1,324.99) | 1.83% | (340.31) | -0.41% | 13.09 |
| 2 | Grabal Alok International Limited | 2.93% | (487.88) | -28.80% | (486.48) | 0.01% | (2.00) | 0.90% | (28.43) |
| 3 | Grabal Alok (UK) Limited | - | - | -11.42% | (192.90) | 0.17% | (30.81) | 3.53% | (111.95) |
| 4 | Mileta, a. s. | -0.72% | 120.56 | 5.85% | 98.91 | -0.05% | 8.60 | 0.18% | (5.56) |
| 5 | Alok International Inc. | 3.00% | (499.77) | -1.57% | (26.56) | 2.55% | (473.21) | 2.99% | (94.72) |
| 6 | Alok Worldwide Limited | -0.01% | 1.11 | 0.06% | 1.09 | 0.00% | 0.02 | -0.01% | 0.21 |
| 7 | Alok Singapore Pte Ltd. | 0.72% | (119.55) | -28.76% | (485.87) | -1.97% | 366.32 | -0.28% | 8.87 |
| 8 | Alok International (Middle East) FZE | 0.05% | (8.02) | 0.31% | 5.31 | 0.07% | (13.33) | -0.02% | 0.50 |
| 9 | Alok Global Trading (Middle East) FZE | 0.00% | 0.00 | -8.07% | (136.26) | -0.73% | 136.26 | 2.63% | (83.48) |
| **Joint Venture companies** | | | | | | | | | |
| Indian | | | | | | | | | |
| 1 | New City of Bombay Mfg. Mills Limited | - | - | - | - | 0.00% | (0.16) | -0.07% | 2.15 |
| 2 | Aurangabad Textile and Apparel Park Limited | - | - | - | - | 0.00% | (0.32) | -0.01% | 0.27 |
| **Associates** | | | | | | | | | |
| Indian | | | | | | | | | |
| 1 | Ashford Infotech Private Limited | - | - | - | - | - | - | 0.40% | (12.71) |
| 2 | Alspun Infrastructure Limited | - | - | - | - | - | - | 0.03% | (0.83) |
| **Inter-company eliminations** | | **-11.82%** | **1,970.67** | **107.38%** | **1,814.04** | -1.09% | 202.46 | -33.03% | 1,046.55 |
| | | **100.00%** | **(16,677.17)** | **100.00%** | **1,689.35** | **100.00%** | **(18,567.00)** | **100.00%** | **(3,168.20)** |

## 42 Contingent Liabilities in respect of :

(Rs. in Crore)

| Sr. No. | Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|---|
| A | Customs duty on shortfall in export obligation in accordance with EXIM Policy (The company is hopeful of meeting the export obligation within the stipulated period) | Amount Unascertained | Amount Unascertained |
| B | Bank guarantees given | | |
| | a) Relating to Joint Ventures | 10.00 | 10.00 |
| | b) Others | 1.72 | 0.47 |
| C | Corporate guarantees / Standby Letter of Credit given to banks for loans taken by subsidiary companies | - | 132.61 |
| D | Bills discounted | 37.33 | 70.13 |
| E | Claims against company not acknowledged as debt | | |
| | a) Income Taxes | 2.32 | 28.38 |
| | b) Maharashtra Value Added tax | 1.43 | 8.07 |
| | c) Other tax demands | 0.85 | 1.57 |
| | d) Others – disputes under litigation | 108.11 | 68.21 |
| | e) Take or Pay claim filed by GAIL (India) Limited under their long term Gas Supply Agreement | 506.43* | 70.70 |
| | f) Certain cases were filed by the lenders/ suppliers in respect of dishonour of cheque issued for repayment of borrowings including interest and outstanding dues and further interest till non-payment | Amount Unascertained | Amount Unascertained |
| | g) Certain cases were filed/notices issued by the lenders in respect of delayed / non-payment of borrowings including interest by the Company or it's subsidiary company and further interest till non-payment | Amount Unascertained | Amount Unascertained |
| F | The Company has issued letter for providing financial support to certain subsidiaries | Nil | Amount are not quantifiable |
| G | Contingent liability with respect to unpaid property tax on land under litigation / encroachment | Amount Unascertained | Amount Unascertained |

* Claim not admitted by the Resolution Professional under the provisions of The Insolvency and Bankruptcy Code, 2016

## 43 Capital Commitments

(Rs. in Crore)

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) | 7.17 | 29.58 |

**44** The net deferred tax assets of the parent company as on 31 March 2018 is Rs. 1423.11 crores (Previous Year Rs. 1423.11 crores). The Resolution Plan for the parent company is under consideration of the Adjudicating Authority. Reliable projections of future taxable income, therefore, shall be available only when the Resolution Plan is implemented. Accordingly, deferred tax assets for the current period and the Financial Year are presently not recognised and the net deferred tax assets as at the end of the previous financial year has been carried forward.

**45** In the opinion of management, the current assets and other non-current assets after necessary provisions / write offs have a value on realisation in the ordinary course of the business, at least equal to the amount at which they are stated; except reported otherwise.

**46** Interest includes Penal interest claimed by the financial creditors and admitted by the RP till 18 July, 2017.

**47** Revenue from operation for the period upto 30 June 2017 includes excise duty which is discontinued with effect from 01 July 2017 upon implementation of Goods & Service Tax (GST). In accordance with Ind AS 18 Revenue GST is not included in Revenue from operations.

**48** a) On 06 June 2018 Axis Bank Limited had filed a petition before the Hon'ble National Company Law Tribunal, Mumbai Bench to admit the application and pass an order for initiating CIR Process against Alok Infrastructure Limited ("Alok Infra"), a wholly owned subsidiary of the company, under the Insolvency and Bankruptcy Code, 2016. The matter is now listed for 29 August 2018 and therefore the financial statements are being presented on a 'Going Concern' Basis.

b) During the year, Alok Infra has incurred a net loss of Rs. 213.72 crores and as on 31 March 2018, the accumulated losses amounted to Rs. 863.13 crores as against Alok Infra's negative Net worth of Rs. 572.67 crores as at 31 March 2017. Total liabilities of as on 31 March 2018 exceeded total assets by Rs. 786.38 crores.

**49 Related Party Disclosure**

**A. Names of related parties and nature of relationship**

As per Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", Company's related parties disclosed as below:

| | | |
|---|---|---|
| **I** | **Associate companies** | |
| | Alspun Infrastructure Limited (till 14 March 2018) | Ashford Infotech Private Limited (till 17 November 2017) |
| **II** | **Entities under common control** | |
| | Alok Denims (India) Limited<br>Alok Textile Traders<br>Ashok Realtors Private Limited<br>D. Surendra & Co. | Alok Knit Exports Private Limited<br>Nirvan Exports<br>Pramatex Enterprises<br>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, Executive Director & CE (Home Textiles)<br>Dilip B. Jiwrajka, Managing Director & CE (Apparel Fabrics)<br>Surendra B. Jiwrajka, Joint Managing Director & CE (Polyester)<br>Surinder Kumar Bhoan, Independent Director<br>Tulsi N. Tejwani, Executive Director & CEO (Weaving)<br>Senthilkumar M.A., Executive Director & CEO (Processing)<br>Keshav Dattaram Hodavdekar, Independent Director<br>Suneet Shukla (Nominee Director of IFCI Limited w.e.f. 15.05.2017)<br>Rajeev Kumar (Nominee Director of IDBI Bank Ltd.) (nomination withdrawn w.e.f. 05.08, 2017)<br>Atanu Sen (Nominee Director of SBI) (resigned w.e.f. 26.06.2018)<br>Pradeep Kumar Rath (Nominee Director of LIC of India)(resigned w.e.f. 09.05.2018)<br>Mrs. Thankom Mathew (Independent Director) (resigned w.e.f. 01.12.2017)<br>Sunil O. Khandelwal, Chief Financial Officer<br>K. H. Gopal, Company Secretary | **Relatives of KMP**<br>Alok A. Jiwrajka<br>Niraj D. Jiwrajka<br>Varun S. Jiwrajka |
| **V** | **Firms in which KMP and relatives of KMP are interested** | |
| | AVAN Packaging and Boards | C. J. Corporation |
| | Linear Design | |
| **VI** | **Resolution Professional** | |
| | Ajay Joshi | |

## B. Transactions with related parties alongwith disclosure of transactions more than 10%

(Rs. in Crore)

| Transactions | 31 March 2018 | 31 March 2017 |
|---|---|---|
| **(a) Long term borrowing** | | |
| Entities under common control | | |
| Triumphant Victory Holdings Limited | | |
| Balance as at 1 April | 487.81 | 499.05 |
| Translation difference during the year | (10.54) | (11.24) |
| Balance as at 31 March | 477.26 | 487.81 |
| **(b) Short term borrowings** | | |
| Entities under common control | | |
| Triumphant Victory Holdings Limited | | |
| Balance as at 1 April | 576.45 | 594.22 |
| Received / adjusted during the year | - | (4.57) |
| Translation difference during the year | 1.82 | (13.21) |
| Balance as at 31 March | 578.27 | 576.45 |
| **(c) Short term loans and Advances** | | |
| Associates | | |
| Alspun Infrastructure Limited | | |
| Balance as at 1 April | 0.17 | 0.17 |
| Repaid during the year | (0.17) | - |
| Balance as at 31 March | - | 0.17 |
| Entities under common control | | |
| Triumphant Victory Holdings Limited | | |
| Balance as at 1 April | 0.01 | - |
| Granted during the year | - | 0.01 |
| Repaid during the year | (0.00) | - |
| Provision during the year | (0.00) | - |
| Balance as at 31 March | - | 0.01 |
| Alok Knit Exports Private Limited | | |
| Balance as at 1 April | 1.28 | (0.00) |
| Granted during the year | - | 1.29 |
| Repaid during the year | (0.53) | - |
| Balance as at 31 March | 0.76 | 1.28 |
| Firms in which KMP and relatives of KMP are interested | | |
| Others | | |
| Balance as at 1 April | 0.01 | 0.01 |
| Repaid during the year | (0.01) | - |
| Balance as at 31 March | - | 0.01 |
| Key Management Personnel (Loan to staff) | | |
| K. H. Gopal | | |
| Balance as at 1 April | - | 0.02 |
| Granted / repaid during the year | - | (0.02) |
| Balance as at 31 March | - | - |

(Rs. in Crore)

| Transactions | 31 March 2018 | 31 March 2017 |
|---|---|---|
| **(d) Non Current Investments** | | |
| Others | | |
| Balance as at 1 April | 98.89 | 86.07 |
| Invested during the year | - | 12.82 |
| Redeemed during the year | (98.89) | - |
| Balance as at 31 March | 0.00 | 98.89 |
| Entities under common control | | |
| Triumphant Victory Holdings Limited. | | |
| Balance as at 1 April | 167.90 | 169.22 |
| Provision for diminution in value of investment | (167.90) | (169.22) |
| Balance as at 31 March | - | - |
| **(e) Trade Payables** | | |
| Balance as at 31 March | | |
| Entities under common control | | |
| Alok Denims (India) Limited | 42.75 | 42.81 |
| Others | 3.14 | 3.37 |
| Firms in which KMP and relatives of KMP are interested | | |
| C. J. Corporation | 21.64 | 18.44 |
| Others | 2.35 | 2.60 |
| Salary Payable | | |
| Others | - | 0.83 |
| **(f) Revenue from operations** | | |
| Sales of Goods (Including jobwork charges) | | |
| Firms in which KMP and relatives of KMP are interested | | |
| C. J. Corporation | 0.11 | 0.97 |
| **(g) Expenditure** | | |
| Purchase of packing material | | |
| Firms in which KMP and relatives of KMP are interested | | |
| C. J. Corporation | 56.84 | 53.34 |
| Rent | | |
| KMP | | |
| Others | 0.10 | - |
| Relatives of KMP | | |
| Others | 0.10 | - |
| Consultancy Charges | | |
| Firms in which KMP and relatives of KMP are interested | | |
| AVAN Packaging & Boards | 0.22 | 1.11 |
| Remuneration # | | |
| Key Management Personnel | | |
| Ashok B. Jiwrajka | 1.45 | 1.50 |
| Dilip B. Jiwrajka | 1.45 | 1.50 |
| Surendra B. Jiwrajka | 1.45 | 1.50 |
| Sunil O. Khandelwal | 1.28 | 0.61 |
| K. H. Gopal | 1.24 | 0.59 |

(Rs. in Crore)

| | | |
|---|---|---|
| Tulsi Tejwani | 0.68 | 0.34 |
| Senthil Kumar | 0.77 | 0.39 |
| Others | - | 0.90 |
| Relatives of Key Management Personnel | | |
| Others | 0.90 | - |
| **(h) Income** | | |
| | | |
| Rent | | |
| Firms in which KMP and relatives of KMP are interested | | |
| Linear Design | - | 0.02 |
| C. J. Corporation | 0.02 | 0.02 |

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

### C. Transaction with Resolution Professional

(Rs. In Crores)

| Transaction | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Professional Fees | 0.49 | - |

### 50. Corporate Insolvency Resolution Process (CIRP) Cost

CIRP cost incurred during the year ended 31.03.2018

(Rs. In Crores)

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Fees to Resolution Professional (RP) | 0.49 | - |
| Advisor to RP | 6.15 | - |
| Counsel to RP | 1.90 | - |
| Other Professional Fees | 2.92 | - |
| Other Misc. Exp. (Including Meeting & communication Exp.) | 0.85 | - |
| Interest, processing fees to ECL Finance Ltd. | 11.82 | - |
| **Total CIRP Cost** | **24.13** | **-** |

### 51. Share based payments

Pursuant to the ESOS scheme 2010, the Company granted 23,044,650 options on 28 September 2013. At an exercise price of Rs.10/- each, out of which 17,116,500 options were outstanding as on 31.03.2016 and same have been lapsed on 28th September 2016. This has been noted in the Board Meeting dated 13.12.2016. Thereafter there are no options granted to the employees.

### 52. Earnings per share (EPS)

| Sr. No. | Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|---|
| a. | Face value of equity shares per share (in Rupees) | 10 | 10 |
| b. | **Basic and Diluted EPS** | | |
| | Net profit available for equity shareholders (Rs. in crores) | (18,578.06) | (3,083.15) |
| | Weighted average number of equity shares - Basic (Nos.) | 1,357,941,329 | 1,357,858,513 |
| | Basic EPS (Rupees) | (136.81) | (22.71) |
| | Add : Effect of dilutive stock options (Nos.) | - | - |
| | Weighted average number of equity shares - Diluted (Nos.) | 1,357,941,329 | 1,357,858,513 |
| | Diluted EPS (Rupees) | (136.81) | (22.71) |

## 53. Employee benefit plans:

### i) Defined contribution plans:

a) Amounts recognized in the Statement of Profit and Loss under the head Employee Benefits Expense towards contributions to Provident Fund, and other similar funds by the Company are Rs. 4.57 Crores (Previous year Rs. 4.77 Crores)

### ii) Defined benefit plans:

#### (a) Gratuity Plan:

The Company makes annual contribution to the Employee's Group Gratuity Assurance Scheme, a funded defined benefit plan for qualifying employees. The Fund invests in the scheme of insurance with the Life Insurance Corporation of India, First Life Insurance Company Limited, SBI Life Insurance Company Limited and Canara HSBC Oriental Bank of Commerce. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.

#### (b) Compensated absences:

Employees' entitlement to compensated absences in future periods based on unavailed leave as at balance sheet date, as per the policy of the Company, is expected to be a long term benefit and is actuarially valued.

The following table sets out the status of the gratuity plan for the year ended 31 March 2018 as required under Ind AS 19

(Rs. in crores)

| **Particulars** | **Gratuity (funded) as on 31 March 2018** | **Gratuity (funded) as on 31 March 2017** |
|---|---|---|
| **Change in Defined Benefit Obligation** | | |
| **Opening Defined Benefit Obligation** | 40.39 | 36.44 |
| Current Service Cost | 6.34 | 5.80 |
| Interest Cost | 2.99 | 2.88 |
| Actuarial gain | (14.10) | (0.01) |
| Past Service cost – Vested Benefit | 3.15 | - |
| Benefits Paid | (3.21) | (4.70) |
| **Closing Defined Benefit Obligation** | **35.56** | **40.41** |
| **Change in Fair Value of Plan Assets** | | |
| **Opening Fair value of Plan Assets** | 12.88 | 13.50 |
| Expected Return on Plan Assets | 0.95 | 1.07 |
| Actuarial gain/(loss) | (0.64) | (0.16) |
| Contribution by Employer | 0.19 | 3.53 |
| Benefits Paid | (3.21) | (4.70) |
| **Closing Fair Value of Plan Assets** | **10.17** | **13.24** |
| **Net Liability** | **25.39** | **27.17** |

(Rs. in crores)

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|---|---|
| **a) Expense to be recognised in statement of Profit and Loss** | | |
| Current Service Cost | 6.34 | 5.80 |
| Interest on Defined Benefit Obligation | 2.03 | 2.88 |
| Expected Return on Plan Assets | - | (1.07) |
| Net Actuarial (gain)/loss | - | 0.15 |
| Past Service cost | 3.16 | - |
| **Total Included in Employment Expenses** | **11.53** | **7.76** |
| **b) Included in other Comprehensive Income** | (13.46) | |
| Actual Return on Plan Assets | 0.20 | 0.88 |
| **Category of Assets as at 31 March** | | |
| Insurer Managed Fund | 10.17 | 13.23 |
| | 100% | 100% |

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

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Discount rate | 7.35% | 7.40% |
| Rate of increase in compensation levels of covered employees | 6.00% | 9.00% |
| Expected Rate of return on plan assets * | 7.35% | 7.40% |

The assumptions used in accounting for gratuity are set out below: (Rs. in crores)

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Amount expected to be contributed in the next 12 months | 29.46 | 34.96 |

*Expected rate of return on plan assets is based on expectation of the average long term rate of return expected to prevail over the estimated term of the obligation on the type of the investments assumed to be held by respective insurance companies, since the fund is managed by Insurer. The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotions and other relevant factors.

**Experience Adjustments:** (Rs. in crores)

| Particulars | Period / Year Ended | | | | |
|---|---|---|---|---|---|
| | 31 March 2018 | 31 March 2017 | 31 March 2016 | 31 March 2015 | 30 September 2013 |
| Defined benefit obligation | 35.56 | 40.41 | 36.44 | 32.39 | 25.30 |
| Plan Assets | 10.17 | 13.24 | 13.49 | 15.87 | 12.85 |
| Surplus / (Deficit) | (25.39) | (27.17) | (22.95) | (16.52) | (12.45) |
| Experience Adjustments on plan Liabilities | (4.18) | (2.35) | (1.06) | (5.06) | (1.11) |
| Experience Adjustments on plan Assets | - | - | (0.29) | 0.69 | (0.06) |

**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.

**Sensitivity Analysis:** (Rs. in crores)

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Defined Benefit Obligation (Base) | 35.56 | 40.41 |

| Particulars | 31 March 2018 | | 31 March 2017 | |
|---|---|---|---|---|
| | Decrease | Increase | Decrease | Increase |
| Discount Rate (- / + 1%) | 37.10 | 34.15 | 46.39 | 35.48 |
| (% change compared to base due to sensitivity) | 4.30% | -4.00% | 14.80% | -12.20% |
| Salary Growth Rate (- / + 1%) | 34.21 | 37.00 | 35.92 | 45.70 |
| (% change compared to base due to sensitivity) | -3.80% | 4.00% | -11.10% | 13.10% |
| Attrition Rate (- / + 50% of attrition rates) | 34.57 | 35.76 | 41.98 | 39.28 |
| (% change compared to base due to sensitivity) | -2.80% | 0.50% | 3.90% | -2.80% |
| Mortality Rate (- / + 10% of mortality rates) | 35.56 | 35.56 | 40.41 | 40.41 |
| (% change compared to base due to sensitivity) | 0.00% | 0.00% | 0.00% | 0.00% |

**Maturity Profile of Defined Benefit Obligation:** (Rs. in crores)

| Expected cash flows over the next (valued on undiscounted basis): | Amount |
|---|---|
| 1 year | 8.62 |
| 2 to 5 years | 21.60 |
| 6 to 10 years | 13.06 |
| More than 10 years | 7.48 |

## 54 Segment Information

### a) Primary Segment: Geographical Segment

The company is in the business of manufacturing of Textile products. Considering the level of international operations and present internal financial reporting based on geographical location of customer, the company has identified geographical segment as primary segment.

The geographic segment consists of:

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.

(Rs. in crores)

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| **Segment Revenue** | | |
| Operating Revenue – Sales | | |
| Domestic | 4,437.34 | 7,188.99 |
| International | 1,089.16 | 1,661.34 |
| Job Charges collected (Domestic) | 59.06 | 79.07 |
| **Total segment revenue** | **5,585.56** | **8,929.41** |

(Rs. in crores)

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| **Segment Assets** | | |
| Trade Receivable (net of provision for doubtful debts) | | |
| Domestic | 207.99 | 9,758.50 |
| International | 101.94 | 156.60 |
| | **309.93** | **10,069.74** |

**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 Ind AS 108 "Operating Segments"

## 55 Fair Value Measurement:

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements.

(Rs. in crores)

| Particulars | | Carrying value | | Fair value | |
|---|---|---|---|---|---|
| | | 31 March 2018 | 31 March 2017 | 31 March 2018 | 31 March 2017 |
| | **Financial Asset** | | | | |
| **(a)** | **Carried at amortised cost** | - | 38.26 | - | 38.26 |
| (i) | Investment in preference shares | 309.93 | 10,069.74 | 309.93 | 10,069.74 |
| (ii) | Trade receivable | 5.61 | 8.30 | 5.61 | 8.30 |
| (iii) | Security deposits | 0.74 | 1.46 | 0.74 | 1.46 |
| (iv) | Loans to related parties | 2.87 | 4.95 | 2.87 | 4.95 |
| (v) | Other receivables | 66.81 | 98.04 | 66.81 | 98.04 |
| (vi) | Cash and cash equivalent | 149.91 | 260.06 | 149.91 | 260.06 |
| (vii) | Other financial assets | | | | |
| | | | | | |
| | **Financial Liabilities** | | | | |
| **(a)** | **Carried at amortised cost** | | | | |
| (i) | Borrowings | 27,415.24 | 25,505.81 | 27,415.24 | 25,505.81 |
| (ii) | Trade payable | 1,063.09 | 1,456.23 | 1,063.09 | 1,456.23 |
| (iii) | Other payables | 6,308.38 | 3,638.45 | 6,308.38 | 3,638.45 |

The Company maintains policies and procedures to value financial assets or financial liabilities using the most relevant data available. In addition, the Company as and when required, also engages independent pricing advisors to assist in corroborating the valuations of certain instruments.

The fair value of the financial assets and liabilities are included at the amount at which the instrument that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date.

**The following methods and assumptions were used to estimate the fair values:**

i) Fair value of security deposits have been estimated using a DCF model. The valuation requires management to make certain assumptions about interest rates, maturity period, credit risk, forecasted cash flows.

ii) Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the company based on parameters such as interest rates, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables. As of reporting date the carrying amounts of such receivables, net of allowances are not materially different from their calculated fair values.

iii) Carrying value of loans from banks, other noncurrent borrowings and other financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The own non-performance risk as at reporting date was assessed to be insignificant.

**Fair value hierarchy**

The following table provides the fair value measurement hierarchy of Company's assets and liabilities grouped into Level 1 to Level 3 as described in significant accounting policies - Note 1. Further table describes the valuation techniques used, key inputs to valuations and quantitative information about significant unobservable inputs for fair value measurements.

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018:**

Rs. in Crores

| Sr. No. | Particulars | Fair value measurement using | | | Valuation technique used | Inputs used |
|---|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | | |
| | **Assets and liabilities for which fair values are disclosed** | | | | | |
| **(a)** | **Financial assets measured at amortised cost** | | | | | |
| (i) | Investment in preference shares | - | -<br>(38.26) | - | Discounted cash flows | Forecast cash flows, discount rate, maturity |
| (ii) | Security deposits | - | 5.61<br>(8.30) | - | | |
| (iii) | Loans to related parties | - | 0.74<br>(1.46) | - | | |
| (iv) | Other receivables | - | 2.87<br>(4.95) | - | | |
| **(b)** | **Financial liability measured at amortised cost** | | | | | |
| (i) | Borrowings | - | 27,415.24<br>(25,505.81) | | Discounted cash flows | Forecast cash flows, discount rate, maturity |
| (ii) | Other payables | - | 6,308.38<br>(3,638.45) | | | |

(Previous year figures given in brackets)

During the year ended 31 March 2018 and 31 March 2017 there were no transfers between level 1 and level 2 fair value measurements and no transfers into and out of level 3 fair value measurement.

The management assessed that cash and cash equivalents, trade receivables, trade payables, cash credit and all other current financial assets and liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Receivables are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- The fair value of loans from banks and other financial liabilities, security deposit, as well as other financial liabilities is presently considered same as carrying value as the eventual capital structure and associated attributes to determine fair value will be known only when the Resolution Plan is implemented. The Company being under the CIR Process, the treatment of the loans shall be in accordance with the resolution plan and therefore it is not possible to forecast what would be the carrying value of the loans for applying fair value measurement.
- The fair values of the unquoted equity instruments have been estimated using a net adjusted fair value method. The valuation requires management to make certain assumptions about the assets, liabilities, investments of

Investee Company. The probabilities of the various assumptions can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments based on the best information available to the Company.

- The fair values of quoted equity instruments are derived from quoted market prices in active markets.
- The Company presently has not entered into any foreign exchange forward contracts.
- Since the company is under CIR Process, there is no obligation to service borrowings. Interest on all borrowings is being accrued as per the interest rate prevailing on the date of the commencement of CIRP viz 18th July 2017. All the four documents contain lot of factual data as well as discussion on economy and those which does not entail any interpretation and therefore we do not expect you to make any changes there.

**56 Capital Management and Financial Risk Management Framework**

The Company was admitted under the Corporate Insolvency Resolution Process (CIR) Process as per provision of the Insolvency and Bankruptcy Code 2016 (the Code) on 18 July 2017.and Mr. Ajay Joshi has been appointed as the Resolution Professional (RP) in terms of the Code.

A resolution Plan submitted by JM ARC and Reliance Industries has been approved by the Committee of Creditors (CoC) in their meeting held on 20 June 2018 by the requisite votes and an application for approval of the Resolution Plan by the Hon'ble NCLT has been filed by the RP. The said application is currently under adjudication.

If and when the Resolution Plan is approved by the Hon'ble NCLT, the resultant changes in the Capital Structure of the company would be known and the new management would then take steps to implement the same. The framework and the strategies for effective capital management, thus, will be established post the implementation of the Resolution Plan.

Presently, the Capital and Financial Management activities are restricted to management of current assets and liabilities of the company and the day to day cash flow. The company is focused on realization of receivables and inventory management to unlock, to the extent possible, funds blocked in the current assets of the company.

**Debt-to-equity ratio are as follows:** (Rs. in crores)

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Debt (A) | 27,415.24 | 25,505.81 |
| Equity (B) | (16,677.17) | 1,689.36 |
| **Debt / Equity Ratio (A / B)** | N.A. | 15.10 |

Similarly, the financial risk profile and the strategies for mitigation of such risks will be established by the new management post the implementation of the Resolution Plan. The key risks associated with day to day operations of the company and working capital management are provided below:

**A Credit Risk:**

Credit risk is the risk that counter party will not meet it obligation under a financial instrument or customer contract leading to a financial loss. The Company expose to credit risk mainly from trade receivables and other financial assets.

**i) Trade Receivables**

Customer credit is managed by each business division subject to the Company's established policy procedures and control related to customer credit risk management.

The Company considers its export related debtors as low risk area. Most of its export customers are reputed international parties / traders. The major portions of exports are against Letter of Credit and only with old and reputed customers it's on DA/ DP basis. In some cases, insurance cover on export outstanding is also taken.

During the financial year, the Company discontinued its business of trading in fabrics with effect from 01 July 2017. The Management has informed the RP that the trading business with a highly fragmented customer base experienced significant tightening of liquidity and has resulted into continuing payment defaults by customers. The Company has written off Rs. 585.51 crores and made provision for the entire balance amount of outstanding trading debtors of Rs. 10,952.51 crores during the year as per the Accounting policy followed by the Company.

In compliance with his duties under the Code, the RP has made an application under Section 60(5) seeking directions of the Adjudicating Authority for further steps in this matter. The said application is currently pending adjudication before the Adjudicating Authority.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

(Rs. in crores)

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Expected loss rate | -97.30% | -2.03% |
| Gross carrying amount | 11,485.36 | 10,278.45 |
| Loss allowance provision | (11,175.42) | (208.71) |

**Reconciliation of Loss Allowance Provision for Trade Receivables**

(Rs. in crores)

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Balance as at beginning of the year | 208.71 | 2,618.71 |
| Impairment losses recognised in the year based on lifetime expected credit losses | 11,552.22 | 639.39 |
| Amounts written off during the year as uncollectible | 585.51 | 3,049.39 |
| Amounts recovered during the year | - | - |
| Balance at end of the year | 11,175.42 | 208.71 |

**ii) Other Financial Assets**

Presently, other financial assets comprise of Fixed Deposits as margin for Letter of Credit/ Bank guarantees, Export incentives, GST refund / rebate on Exports receivable, advance given to vendors etc. These are considered as low risk items in the in the normal course of business and are subject to operational controls deemed sufficient by senior management.

**B Market Risk:**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks – interest rate risk, currency risk and other price risk in a fluctuating market environment. Financial instrument affected by market risks includes loans and borrowings, deposits, derivatives and other financial assets. Since the company is presently under the CIR process it is not required to meet any loan or interest obligation till the Resolution Plan is implemented if and when approved.

**i) Currency Risk**

This is the risk that the Company has suffer loss as a result of adverse exchange rate.

Movement during the relevant period. The Company has exports and to that extent it has natural hedge to cover foreign exchange risk on account of imports. Thus to that extent it is able to mitigate fluctuations in currency rates. The company being under the CIR Process, it has no limits available to enter into derivative contracts for mitigation of currency risk on its net exposure.

**Foreign Currency Sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

(Rs. in crores)

| Currency | Change in rate (upward) | Effect on profit before tax | | Change in rate (downward) | Effect on profit before tax | |
|---|---|---|---|---|---|---|
| | | 31 March 2018 | 31 March 2017 | | 31 March 2018 | 31 March 2017 |
| AED | 5% | (5.26) | (0.14) | -5% | 5.26 | 0.14 |
| BDT | 5% | - | 0.00 | -5% | - | (0.00) |
| CHF | 5% | 0.02 | 0.03 | -5% | (0.02) | (0.03) |
| DKK | 5% | (0.00) | (0.00) | -5% | 0.00 | 0.00 |
| Euro | 5% | (17.33) | (15.14) | -5% | 17.33 | 15.14 |
| GBP | 5% | (4.12) | (0.00) | -5% | 4.12 | 0.00 |
| HKD | 5% | (0.00) | (0.00) | -5% | 0.00 | 0.00 |
| JPY | 5% | 0.05 | 0.04 | -5% | (0.05) | (0.04) |
| SGD | 5% | (0.00) | (0.00) | -5% | 0.00 | 0.00 |
| USD | 5% | (141.86) | (95.37) | -5% | 141.86 | 95.37 |

P&L impact during the year including impact on fixed assets and unhedged exposure is as follows:

Impact on P&L of Rs. 168.50 crore (negative if change in rate is upward), on Fixed Assets of Rs. 52.18 crores (positive if change in rate is upward)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

**ii) Interest rate risk**

In the normal circumstances, the Company manages interest rate risk by having a balanced portfolio of fixed and variable rate of interest on loans and borrowings. However, since the company is presently under CIR Process, it is not required to meet any interest obligation till the final resolution is reached.

**Interest rate sensitivity**

Not relevant as explained above.

**iii) Investment in Equity Price Risk**

The Company is exposed to normal risks associated with equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments. During the year the company has made provision for diminution in value of its investments in subsidiary companies amounting to Rs. 42.32 crore (Previous year Rs. 103.99 crore)

**C Liquidity Risk:**

**i) Liquidity risk management**

Being under the CIRP, the parent company does not have any sources of funds infusion save for the Interim Finance of Rs. 150 Crores raised in September 2017 and short term loan of Rs. 20 Crores from State Bank of India prior to commencement of the CIR process. The parent company has to manage its cash flows on a day to day basis to maintain operations that for the most of the year have been about 30% Capacity Utilization. The parent company is dependent upon timely receipt of sales proceeds and delays in sales realizations can severely impact the current level of operations.

## ii) Maturities of financial liabilities

Since the company is presently under CIR Process, it is not required to meet any loan repayment or interest obligation. In the normal circumstances the obligation of the company towards financial liabilities would have been as under:

**31 March 2018**

(Rs.in crores)

| Particulars | On Demand | Less Than 1 Year | 1-2 Years | 2-3 Years | 3-4 Years | Beyond 4 Years | Total |
|---|---|---|---|---|---|---|---|
| **(a) Non Derivative financial instruments** | | | | | | | |
| Long term borrowings | | | | | | | |
| Short term borrowings | 8,144.94 | - | 1,201.59 | 1,093.00 | 1,109.85 | 3,660.53 | 15,209.91 |
| Cash Credit Facilities/ Working Capital Loan | | | | | | | - |
| Pre-shipment, Post-shipment facilities | 9,749.17 | | - | - | - | - | 9,749.17 |
| Bill Discounting with Bank | 183.17 | - | - | - | - | - | 183.17 |
| | 70.84 | - | - | - | - | - | 70.84 |
| Trade payables | | | | | | | - |
| Trade payables - MSME | | | | | | | - |
| Trade payables - other than MSME | - | 11.91 | - | - | - | - | 11.91 |
| Acceptances | - | 907.24 | - | - | - | - | 907.24 |
| Other financial liabilities | - | 143.93 | - | - | - | - | 143.93 |
| Deposits from dealers and agents | | | | | | | - |
| Deposits against rental arrangements | 6.39 | - | - | - | - | - | 6.39 |
| Other long term liabilities | 3.06 | - | - | - | - | - | 3.06 |
| Current maturities of long-term debt | | | | | | | - |
| Interest accrued on borrowings | - | 2,202.15 | - | - | - | - | 2,202.15 |
| Other Interest accrued | 6,241.30 | 10.07 | - | - | - | - | 6,251.37 |
| Unclaimed / Unpaid dividends | 14.72 | - | - | - | - | - | 14.72 |
| Creditors for Capital Supplies / Services | 0.86 | - | - | - | - | - | 0.86 |
| Other current liabilities | | 27.41 | | | | | 27.41 |
| | 445.99 | - | - | - | - | - | 445.99 |
| **(b) Derivative financial instruments** | | | | | | | - |
| Foreign exchange forward contracts | - | - | - | - | - | - | - |
| | | | | | | | |
| | **24,860.45** | **3,302.71** | **1,201.59** | **1,093.00** | **1,109.85** | **3,660.53** | **35,228.13** |

**31 March 2017**

(Rs.in crores)

| Particulars | On Demand | Less Than 1 Year | 1-2 Years | 2-3 Years | 3-4 Years | Beyond 4 Years | Total |
|---|---|---|---|---|---|---|---|
| **(a) Non Derivative financial instruments** | | | | | | | |
| Long term borrowings | - | 489.09 | 1,749.00 | 1,194.07 | 1,087.62 | 4,741.97 | 9,261.75 |
| Short term borrowings | | | | | | | - |
| Cash Credit Facilities/ Working Capital Loan | 930.79 | 13,251.92 | - | - | - | - | 14,182.71 |
| Pre-shipment, Post-shipment facilities | | - | - | - | - | - | - |
| Bill Discounting with Bank | | - | - | - | - | - | - |
| | | | | | | | - |
| Trade payables | | | | | | | - |
| Trade payables - MSME | - | 12.55 | - | - | - | - | 12.55 |
| Trade payables - other than MSME | - | 888.07 | 194.52 | 64.64 | 43.20 | - | 1,190.43 |
| Acceptances | - | 253.24 | - | - | - | - | 253.24 |
| Other financial liabilities | | | | | | | - |
| Deposits from dealers and agents | - | - | - | - | - | - | - |
| Deposits against rental arrangements | - | - | - | - | - | - | - |
| Other long term liabilities | | | | | | | - |
| Current maturities of long-term debt | - | 2,061.33 | - | - | - | - | 2,061.33 |
| Interest accrued on borrowings | - | 3,571.59 | - | - | - | - | 3,571.59 |
| Other Interest accrued | - | - | - | - | - | - | - |
| Unclaimed / Unpaid dividends | 0.86 | - | - | - | - | - | 0.86 |
| Creditors for Capital Supplies / Services | | 23.29 | | | | | 23.29 |
| Other current liabilities | - | 334.83 | - | - | - | - | 334.83 |
| | | | | | | | - |
| **(b) Derivative financial instruments** | | | | | | | - |
| Foreign exchange forward contracts | - | - | - | - | - | - | - |
| | | | | | | | |
| | 931.65 | 20,885.91 | 1,943.52 | 1,258.71 | 1,130.82 | 4,741.97 | 30,892.58 |

**iii) Financing arrangements**

Since the company is presently under CIR Process, no banking facilities were available to the company save for the Interim Finance raised of Rs. 150 Crores and a short term loan of Rs. 20 Crores raised prior to the commencement of the CIR Process.

**iv) Maturities of financial assets**

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

**Non derivative financial instruments** (Rs. in crores)

| | | Trade receivables | Other bank balances | Total |
|---|---|---|---|---|
| On demand | 2017-18 | 252.05 | - | 252.05 |
| | 2016-17 | (7,627.42) | - | (7,627.42) |
| Less than 1 Year | 2017-18 | 57.88 | 160.54 | 218.42 |
| | 2016-17 | (2,442.32) | (265.80) | (2,708.12) |
| 1-2 Years | 2017-18 | - | - | - |
| | 2016-17 | - | (0.29) | (0.29) |
| 2-3 Years | 2017-18 | | 0.02 | 0.02 |
| | 2016-17 | - | (0.02) | (0.02) |
| Beyond 3 Years | 2017-18 | | 0.66 | 0.66 |
| | 2016-17 | - | (0.62) | (0.62) |
| **Total** | **2017-18** | **309.93** | **161.22** | **471.15** |
| | **2016-17** | **(10,069.74)** | **(266.73)** | **(10,336.47)** |

(Previous year figures given in brackets)

**57** The company has taken premises on operating lease. Lease rentals paid during the year are recognised as an expense as per Ind AS-17 "Leases".

**Details of lease rentals payable in future are as follows:**

(Rs. in crores)

| Sr. No. | Due | 31 March 2018 | 31 March 2017 |
|---|---|---|---|
| 1 | Within one year | 0.91 | 7.81 |
| 2 | Later than one year and not later than 5 years | - | 230.76 |
| 3 | Later than 5 years | - | 467.34 |
| | **Total** | 0.91 | 705.91 |

Lease rental expense aggregating to Rs. 15.16 crores (previous period Rs. 104.86 crores) recognised in statement of Profit & Loss

**Details of lease rentals receivable in future are as follows:**

(Rs. in crores)

| Sr. No. | Due | 31 March 2018 | 31 March 2017 |
|---|---|---|---|
| 1 | Within one year | - | 0.28 |
| 2 | Later than one year and not later than 5 years | - | 0.57 |
| 3 | Later than 5 years | - | - |
| | Total | 0.01 | 0.85 |

Lease rental income aggregating to Rs. 2.65 crores (previous period Rs. 3.25 crores) recognised in statement of Profit & Loss.

**58** During an earlier year, Triumphant Victory Holdings limited ("TVHL") a promoter group company, obtained a loan from Axis Bank. Such loan is secured by all assets of Grabal Alok (UK) Limited, the Company's majority owned subsidiary company.

**59 Corporate Social Responsibility**

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

A CSR committee has been formed by the company as per the Act. For the current financial year 2017-18, as the average profits for the last three years is negative, the Company does not have to spend any amount on CSR.

(Rs. in crores)

| Sr. No. | Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|---|
| a | Gross amount required to be spent by the company during the year | - | - |
| b | Amount spent during the year | - | - |

**60** In view of the liquidity crunch since 2014, the Company has stopped paying debenture interest and such interest payment is due for a period beyond one year as at the Balance Sheet date. A clarification was sought by the Regional Director, Ministry of Company Affairs (RD), amongst others, as to why this non-payment for financial year ending 31.03.2016, should not be treated as a violation of Section 164(2) and 167 of the Companies Act, 2013. The Company responded that it had availed financial assistance by way of issuance of non-convertible redeemable debenture on a private placement basis and not a public issue. The Company further stated that a close reading of Section 164(2) would reveal that its provisions would be attracted when the Company accepts debentures and deposits from many (i.e. public at large) and not from a single entity on a private placement basis. Accordingly, directors retiring by rotation at the ensuing Annual General Meeting and eligible for reappointment, continue to render themselves eligible for such reappointment.

**61 Impairment of fixed assets**

The Company current level of operations, at about 30% of the capacity, may not be an indication of the future performance of the Company. A Resolution Plan for revival of the Company is under consideration of the Adjudicating Authority. Therefore, until a resolution plan has been implemented, reliable projections of availability of future cash flows of the Company supporting the carrying value of Property, Plant and Equipment cannot be determined, hence are not available. Accordingly Impairment testing under Ind AS has not been performed while presenting these results.

**62 Unhedged foreign currency exposure**

The Company did not take any derivative instruments during the current year / previous year.

Particulars of unhedged foreign currency exposures are as follows:

(Rs. in crores)

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Trade Receivables | 107.32 | 137.65 |
| Loans & Advances | 15.96 | 1,517.21 |
| Borrowings | 2,359.95 | 2,077.27 |
| Trade Payables | 132.35 | 185.15 |
| Current Liabilities | 116.79 | 304.59 |

Since the company did not enjoy applicable bank limits, the company has not entered into any derivative contracts during the year and the previous year.

## 63 Reconciliation of provision

### A) Reconciliation of loss allowance provision for Investments

(Rs. in crores)

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Balance as at beginning of the year | 159.46 | 55.47 |
| Impairment losses recognised in the year | 42.32 | 103.99 |
| Amounts written off during the year as uncollectible | - | - |
| **Balance at end of the year** | 201.79 | 159.46 |

### B) Reconciliation of loss allowance provision for Interest Subsidy receivable

(Rs. in crores)

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Balance as at beginning of the year | 31.37 | 25.19 |
| Provision for doubtful receivables recognised in the year | 4.05 | 6.18 |
| Amounts written off during the year as uncollectible | - | - |
| Amounts recovered during the year | - | - |
| **Balance at end of the year** | 35.42 | 31.37 |

### C) Reconciliation of loss allowance provision for Service Tax receivable

(Rs. in crores)

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Balance as at beginning of the year | 32.51 | - |
| Provision for doubtful receivables recognised in the year | | 32.51 |
| Amounts written off during the year as uncollectible | 32.52 | - |
| Amounts recovered during the year | | - |
| **Balance at end of the year** | (0.01) | 32.51 |

### D) Reconciliation of loss allowance provision for ICD Given

(Rs. in crores)

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Balance as at beginning of the year | 0.66 | - |
| Provision for doubtful receivables recognised in the year | - | 0.66 |
| Amounts written off during the year as uncollectible | - | - |
| Amounts recovered during the year | - | - |
| **Balance at end of the year** | 0.66 | 0.66 |

### E) Reconciliation of loss allowance provision for Export Incentives Receivable

(Rs. in crores)

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Balance as at beginning of the year | 2.58 | 2.13 |
| Provision for doubtful receivables recognised in the year | 0.43 | 0.45 |
| Amounts written off during the year as uncollectible | - | - |
| Amounts recovered during the year | 2.58 | - |
| **Balance at end of the year** | 0.43 | 2.58 |

F) **Reconciliation of loss allowance provision for Advance to vendors**

(Rs. in crores)

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Balance as at beginning of the year | 1.64 | - |
| Provision for doubtful receivables recognised in the year | - | 1.64 |
| Amounts written off during the year as uncollectible | - | - |
| Amounts recovered during the year | 1.13 | - |
| **Balance at end of the year** | 0.51 | 1.64 |

**64 Reconciliation of tax**

A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows

(Rs. in crores)

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| Profit/(loss) before tax | | |
| Enacted tax rate in India | 30.900% | 34.608% |
| **Expected income tax expense / (benefit) at statutory tax rate** | | |
| **Tax effect of** | | - |
| Exempted Income | - | - |
| Expenses allowed | - | - |
| Expenses disallowed | - | - |
| Effect of tax pertaining to prior years | 15.79 | (27.88) |
| **Current Tax Provision (A)** | **15.79** | **(27.88)** |
| | | |
| **Incremental Deferred Tax Liability** | (5.36) | (2,292.97) |
| **Incremental Deferred Tax Asset** | - | - |
| **Deferred Tax Provision (B)** | **(5.36)** | **(2,292.97)** |
| | | |
| **Tax Expenses recognised in statement of Profit and Loss (A+B)** | 10.43 | (2,320.84) |
| | | |
| **Effective Tax rate** | | |

**65** Liquidation of subsidiary / sale of stake :

During the year under review, one subsidiary company, Alok Global Trading (Middle East) FZE was voluntarily liquidated.

Alok Infrastructure Limited divested its entire stake in the equity and preference capital of two joint venture companies, namely, Ashford Infotech Private Limited and Alspun Infrastructure Limited during the financial year ending 31st March 2018.

**66** Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.

Signatures to Notes 1 to 66
As per our report of even date attached

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

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

Place: Mumbai
Date: 10 August 2018

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

**Devdas Bhat**
Partner
M. No.: 48094

For and on behalf of the Board

**Sunil O. Khandelwal**
(Chief Financial Officer)

**K. H. Gopal**
(Company Secretary)

Taken on record

**Ajay Joshi**
(Resolution Professional)

Place: Mumbai
Date: 10 August 2018

# ALOK INDUSTRIES LIMITED

**(CIN: L17110DN1986PLC000334)**

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

## Attendance Slip

| | |
|---|---|
| Folio No. / DP ID No. & Client ID | |
| No. of Equity Shares held | |

I hereby record my presence at the 31ST Annual General Meeting of **ALOK INDUSTRIES LIMITED** being held at Alok Public School, Alok City, Silvassa-Khanvel Road, Silvassa – 396230, Union Territory of Dadra and Nagar Haveli on 27TH December 2018 at 12:00 noon.

| | |
|---|---|
| Name of Shareholder<br>(In Block Letters) | |
| Name of the Proxy holder / Authorised Representative | |

* Applicable for investors holding shares in Electronic Mode

** Strike out whichever is not applicable

Signature of the Shareholder/Proxy/Authorised Representative

**NOTE:**

1. A member / proxy / authorised representative wishing to attend the Meeting must complete this Admission Slip before coming to the Meeting and hand it over at the entrance.
2. If you intend to appoint a proxy, please complete, stamp, sign and deposit the Proxy Form given below at the Company's Registered Office at least 48 hours before the Meeting.

# ALOK INDUSTRIES LIMITED

## (CIN: L17110DN1986PLC000334)

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

## PROXY FORM

(Form MGT. 11)

[Pursuant to section 105(6) of Companies Act, 2013 and
Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

| | |
|---|---|
| Name of the Member(s) | |
| Registered Address | |
| Email ID | |
| Folio No. / Client ID No. | |
| DP ID No. | |

I / We, being the member(s) of ________________________________ shares of the above named Company hereby appoint:

1. Name............................................................Address............................................................

   ..........................................................................................................................

   Emailid..........................................................Signature..........................................................

   or failing him

2. Name............................................................Address............................................................

   ..........................................................................................................................

   Emailid..........................................................Signature..........................................................

   or failing him

3. Name............................................................Address............................................................

   ..........................................................................................................................

   Emailid..........................................................Signature..........................................................

as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 31ST Annual General Meeting of ALOK INDUSTRES LIMITED to be held on 27th December 2018 at 12:00 Noon. and at any adjournment thereof in respect of such resolutions as are indicated below.

| Item No. | Particulars | Type of Resolution | Vote | |
|---|---|---|---|---|
| | | | For | Against |
| 1 | Adoption of Financial Statements for FY 2017-18. | Ordinary | | |
| 2 | Re-appointment of Shri Surendra B. Jiwrajka as Director. | Ordinary | | |
| 3 | Re-appointment of Shri Tulsi Tejwani as Director. | Ordinary | | |
| 4 | Re-appointment of Shri Senthilumar M A as Director. | Ordinary | | |
| 5 | Ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2019. | Ordinary | | |

Signed this ………………………….. day of ……………………......… 2018.

Signature Affix Revenue Stamp

Signature of the Shareholder …………………………………………………

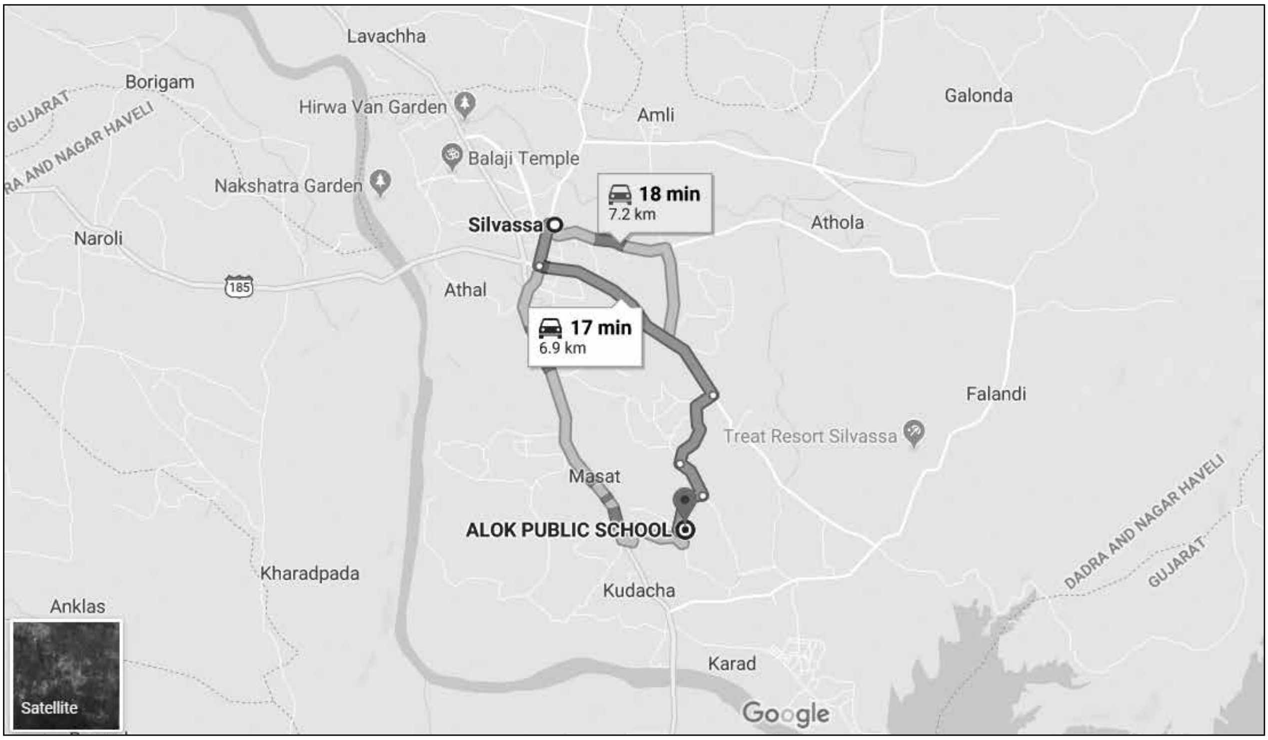
Signature of the Proxy Holder(s) ............................................................................ ............................................................................

* Strike out whichever is not applicable.

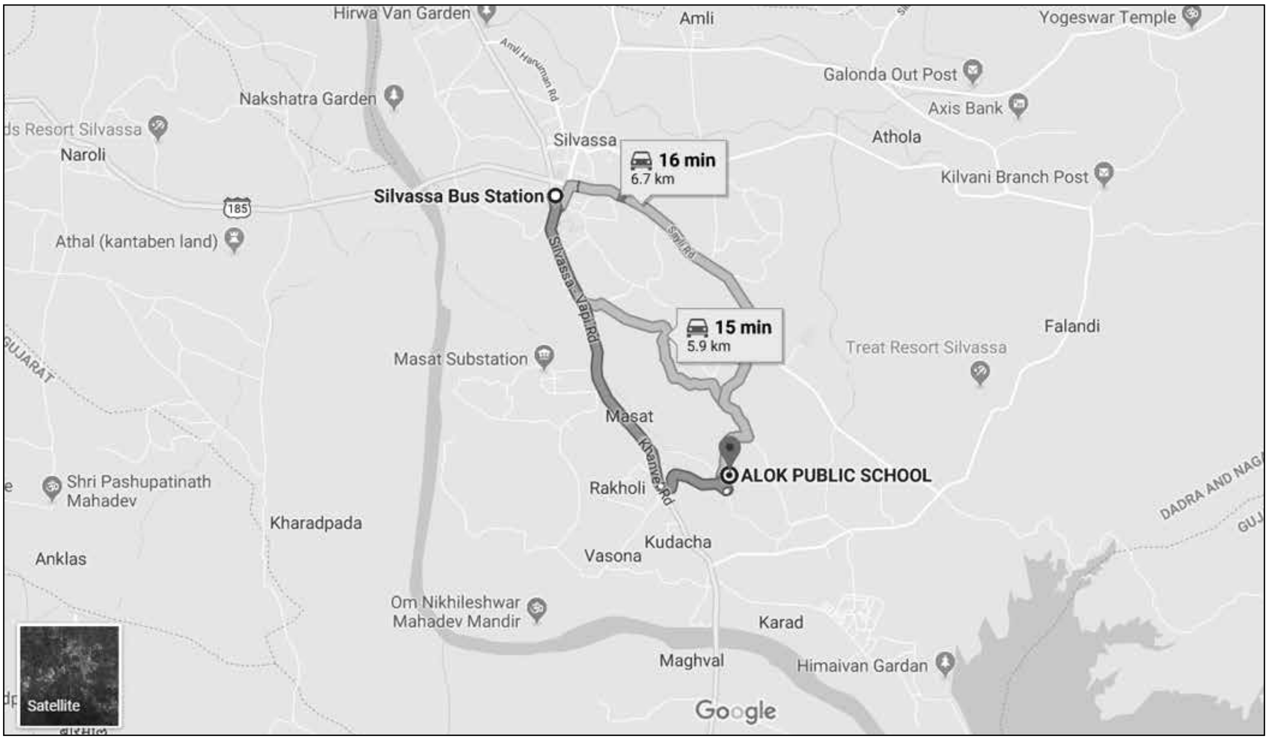
**Notes:**

The proxy, in order to be effective, should be duly completed, stamped, signed and must be deposited at the Registered Office of the Company not less than **48 hours** before the time fixed for the Meeting

# ROUTE MAP



Lavachha
Borigam
GUJARAT
RA AND NAGAR HAVELI
Hirwa Van Garden
Amli
Galonda
Balaji Temple
Nakshatra Garden
18 min
7.2 km
Silvassa
Athola
Naroli
185
Athal
17 min
6.9 km
Falandi
Treat Resort Silvassa
Masat
ALOK PUBLIC SCHOOL
DADRA AND NAGAR HAVELI
GUJARAT
Kharadpada
Kudacha
Anklas
Karad
Satellite
Google

Hirwa Van Garden
Amli
Yogeswar Temple
Galonda Out Post
Nakshatra Garden
Axis Bank
ds Resort Silvassa
Silvassa
Athola
Naroli
16 min
6.7 km
Kilvani Branch Post
Silvassa Bus Station
185
Athal (kantaben land)
Silvassa - Vapi Rd
15 min
5.9 km
Falandi
GUJARAT
Masat Substation
Treat Resort Silvassa
Masat
Shri Pashupatinath
Mahadev
Rakholi
ALOK PUBLIC SCHOOL
DADRA AND NAG
Kharadpada
Kudacha
Anklas
Vasona
Om Nikhileshwar
Mahadev Mandir
Karad
Maghval
Himaivan Gardan
Satellite
Google

# NOTES

# NOTES

NOTES

**REGISTERED OFFICE**

17/5/1, 521/1, Village Rakholi/ Saily,
Silvassa, The Union Territory of
Dadra and Nagar Haveli-396 230
Tel No. 0260 3087000
Fax No. 0260 2645289

**CORPORATE OFFICE**

Tower B, 2nd & 3rd Floor, Peninsula Business Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai-400 013
Maharashtra, India
Tel: +91 22 61787000
E-mail: info@alokind.com