Ensuring Sustainable Growth

ALOK

INDUSTRIES LIMITED

TM INTEGRATED TEXTILE SOLUTIONS

23 Annual Report 2008-09

CONTENTS

Turnover increased by 37.16% to Rs. 2976.93 crores
Exports increased by 1.70% to Rs. 1054.50 crores
EBITDA increased by 39.10% to Rs. 822.61 crores
Profit After Tax at Rs. 188.37 crores
Dividend at Rs. 0.75 per share
Total Assets Rs. 9159.58 crores
Total Networth Rs.1755.06 crores
Book Value at Rs. 89.10
EPS at Rs. 9.64
CEPS at Rs. 21.53

Alok Industries Limited is one of India's largest vertically integrated textile companies. Alok is headquartered in Mumbai, with its manufacturing units in Navi Mumbai, Vapi and Silvassa. The Company is an 'end-to-end' provider of Integrated Textile Solutions, with five core divisions: Cotton Yarn, Apparel Fabric, Home Textiles, Garments and Polyester Yarn.

The following chart aptly brings out Alok's presence across the textile value chain.

Integrated Textile Solutions™

With over two decades of experience, Alok is today a vendor of choice for quality textile products at internationally competitive prices and dependable delivery schedules. The Company has constantly adopted new technologies and widened its product range. Carefully planned expansion programme has made Alok a leading player in each of the product segments in which the company operates.

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

The Company exports about 35% of its products to over 70 countries, with major markets being US, Europe, Latin America, Asia and Africa.

Vision Statement

To be the world's best integrated textile solutions enterprise with leadership position across products and markets, exceeding customer and stakeholder expectation

Our Mission

We will:

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

Sustainable Development

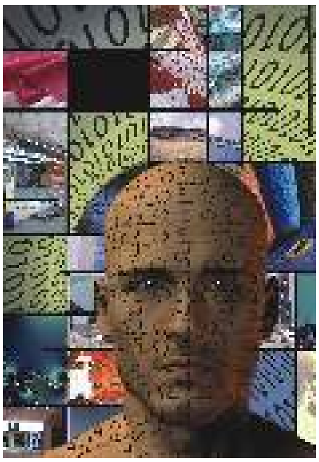
"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

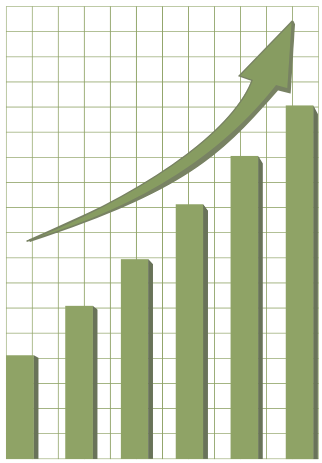
Definition from: 'Our Common Future' (also known as the Brundtland Report)

Alok is committed to take a path of sustainable growth and development. It pursues development which leads to inclusive growth… and improves the quality of life on our planet. Development that does not deplete resources beyond nature's capacity to replenish them.

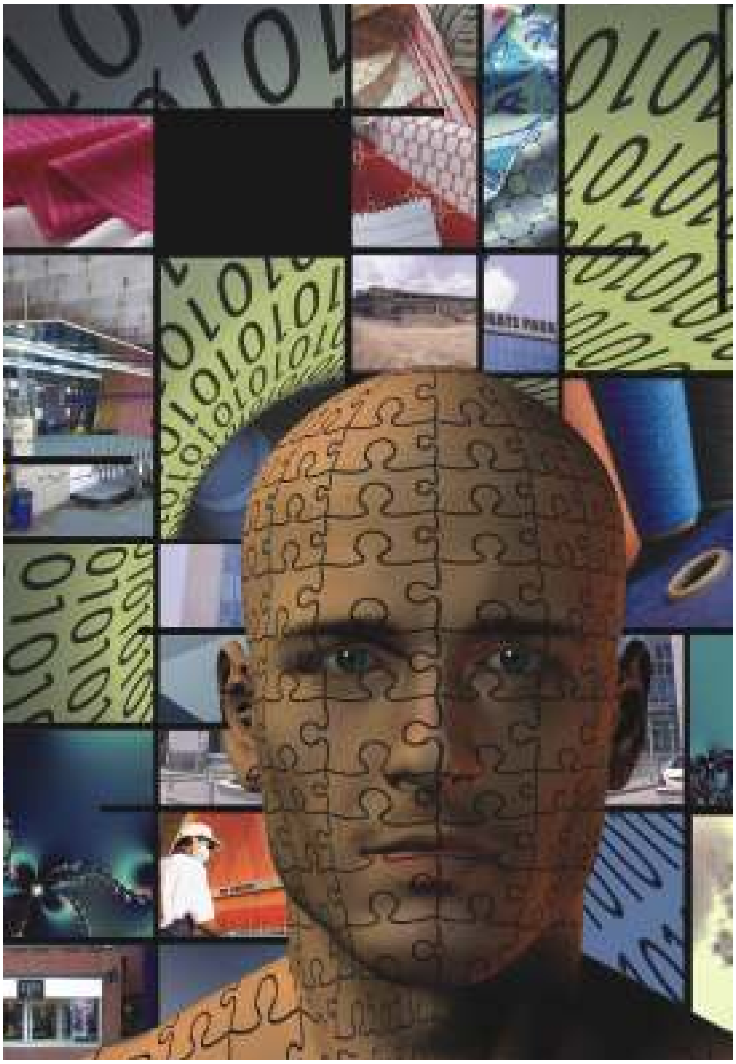
Responsible corporate citizens strike a balance between business objectives, social needs and environment protection for sustainable benefits for mankind. Alok constantly works on resolving the conflict between competing goals of economic prosperity, environmental quality and social equity.

The company has been taking several initiatives reflecting its commitment for a sustainable growth.





Envisioning The Future



With a vision for long term growth, Alok consistently invests in upsizing its capabilities on all fronts to stay ahead in wake of the evolving factors of global competition. From acquiring global sized production capacities to state-of-the-art manufacturing technology; adopting stringent quality management and process control to IT enabled operations; Alok has developed a futuristic culture, enabling it to consistently innovate, value-add and create new benchmarks of performance in textiles.

In an endeavour to amalgamate green technology with its core strategy, Alok strives to improve utilization of natural and human resources to ensure a better life for future generations. Apart from constant efforts to minimize waste and maximise productivity, Alok is identifying better processes to reduce its carbon footprint, manage its impact more effectively and become more eco-efficient.

Alok envisions the future of its business around its people and technological capabilities and ensures their efficiency and competitiveness for sustained growth.

Sustaining Ecology

Maintaining the quality of land, air, water and environment is a passion with Alok. Because, sustaining the ecology is essential for achieving overall prosperity for mankind.

Alok strives to ensure that earth's ecology is conserved. It retains the natural environment around its plants through minimum displacement of greenery and landscape. Planting of trees and creating green belts in and around its production units is a continuous process to prevent soil erosion. Rainwater harvesting initiatives replenish the groundwater used in the production process.

Regular energy audits to ensure lower consumption, recycling as much material and natural resources as possible, controlling air pollution by minimum emission of carbons, gas and steam, using eco-friendly energy sources and treating all solid and liquid effluents to ensure minimum soil and water pollution are some of the methods used by Alok to sustain ecology.

Healthier Environment

People's health within the company and in the society at large continues to be amongst the key concerns for Alok.

To sustain a healthy, pollution-free environment, a major portion of the land owned by the company in its areas of operations is 'green' land.

Water utilised during the production process is completely purified of effluents before being released back into the ecosystem. Alok operates one of the largest Effluent Treatment Plants (ETP) that treats waste water through biological treatment, minimising solid waste to prevent their percolation in agricultural produce and the environment. Alok has also installed reverse osmosis plants to recycle a large quantity of water for reuse thereby conserving one of nature's most precious resources

To minimise air pollution, Alok has installed Selective Catalytic Reduction (SCR) systems to reduce oxides of nitrogen. It uses CNG for its boilers and power plants to produce cleaner energy and maintain a healthier environment.

Going Organic & Going Green

Enlightened textile consumers, manufacturers, brands and retailers across the globe increasingly prefer the use of organic and 'green' products to preserve productivity of soil. Alok has taken major initiatives in recent years to encourage cultivation of organic cotton. It supports the initiatives of leading global brands and retailers in this sphere by ensuring increased availability of such textile products.

Today the company is amongst the largest producers of organic cotton products in India and has extended its support for this cause in other cotton growing countries like Africa.

Alok will continue to do its bit to sustain cultivation of cotton, one of the oldest and most human friendly amongst all natural and man-made fibers, by encouraging organic farming practices and ensuring remunerative prices to farmers who grow it.

Empowering People

Empowerment of people is the only effective way to empower the society as a whole. Alok nurtures its people by developing their skills, imparting vocational training, providing growth opportunities and empowering them to perform better at work and improve the quality of their life.

Young professionals are equipped with modern technology and management systems to enable them to effectively face the highest level of global competition.

The company contributes to the prosperity of society as a whole by providing equal opportunities for all. Creating jobs and enhancing economic growth of the tribal, rural and local urban population in and around the company's manufacturing units at Vapi and Silvassa continues to be high priority areas for the company.

Alok actively pursues women empowerment and helping them acquire economic independence as important corporate objectives. The Company has trained a large number of local tribal women to get gainful, high performance employees in its weaving and garment plants.

Alok considers empowered people the most valuable asset for sustained growth.

Recycling Resources

Recycling of natural resources like water and materials like plastic, packaging materials, polyester waste and other non-biodegradable materials contribute to minimizing their consumption, sustaining natural resources and making our environment less polluted.

As a responsible and diversified textile manufacturer, Alok recycles all plastic waste used as packing material, bags and wrapping rolls.

From non-usable cotton waste, it proposes to recover approximately 35% to 40% good cotton, which in turn will be used as normal cotton fiber for producing yarn. Installation of a new plant for recycling polyester waste is also underway.

Purified water from post-dyeing effluent is used for watering plants to keep the production environment green.

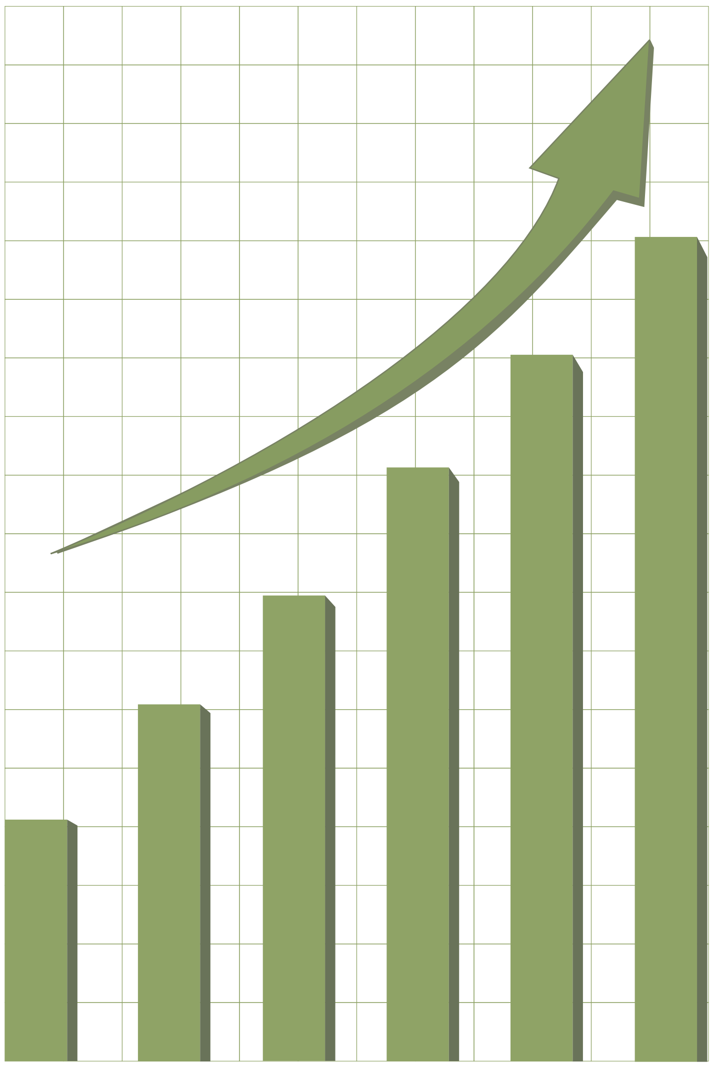
Caring For Society

Alok stands committed to a sustainable social system by offering fair access to livelihood, education, health-care, resources to all. Besides, it actively contributes to the community health care, recreational and social welfare programes on an ongoing basis by initiating measures to operate hospitals, schools, organize medical check ups and blood donation camps and sponsoring local social events.

In order to facilitate young mothers to work and earn a living, crèches have been set up where trained nurses take care of infants. Health check-ups of all employees is carried out at prescribed intervals.

Alok has taken special initiatives to impart primary education to the children of migrant labour. The company collaborates with the government and the local administration to support higher education.

Benefitting Stakeholders



Alok contributes to economic prosperity of all its stakeholders with sustained growth in the size of its operations and profits. From employees to shareholders; from customers to suppliers; and from business associates to society at large, Alok believes in sharing the fruits of its success and prosperity with all.

Sharing the benefits of growth has been built into the organisation fibre right from its inception. For sustained benefits for its stakeholders in form of higher profits, impeccable corporate social performance and economic prosperity at all levels, the company will always stand committed with all its resources.

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Ashok B. Jiwrajka
Executive Chairman

Dilip B. Jiwrajka
Managing Director

Surendra B. Jiwrajka
Jt. Managing Director

C. K. Bubna
Executive Director

INDEPENDENT DIRECTORS

K. J. Punnathara
Nominee Director of
Life Insurance
Corporation of India

K. D. Hodavdekar
Nominee Director of
IDBI Bank Limited

Rakesh Kapoor
Nominee Director
of IFCI Limited

Ashok G. Rajani
Director

K.R. Modi
Director

A. B. Dasgupta
Nominee Director of
IDBI Bank Limited

Tim Ingram
Director

Hiroo S. Advani
Nominee Director
Export Import Bank of India

L to R: Front Row: Alok A. Jiwrajka, Prita D. Jiwrajka, Back Row: Varun S. Jiwrajka, Niraj D. Jiwrajka,

CORE TEAM

TEAM CORPORATE OFFICE

L to R: Front Row: Alok Mehrotra, Preeti Rane, Sunil O. Khandelwal, K. H. Gopal, Husain Tayebkhan, Prem Kumar,
L to R: Back Row: S. S. Rawat, V. M. Rathi, Rajnish Kharkar, Jitendar Kumar, Shaji Varghese, Deepak Mehta, Girish Mahajan, Madhusudan Nagori, Hitesh Shah, Kalpesh Shah, R. Rajaram, Thirupathi Talla,

TEAM MARKETING-CORPORATE OFFICE

L to R Front Row: Suraj Alva, Ramesh Jain, Ashish Mehrishi, Alok Bahadur, Anil Nair, Ashok Kumar
L to R Back Row: Hari Menon, Sunil Krishnan, Narinder Thapa, Mesmer Micheali, Rakesh Rastogi, Rakesh Goel, Yogesh Kalia

TEAM SPINNING-SILVASSA

First Row: (L To R) Girish Mahajan, Sapan Mukerjee, Anil Nair, Mala Mukerjee, Siddharth Banerjee
Second Row: (L To R) Milind Parkhi, Sanjay Deshmukh, Suresh Yadav, V. V. Subburaman, Ajaya Kumar, Balasaheb Navale
Third Row: (L To R) Sriniwas Jadhav, K.K. Datta, B.K.Shankargauda, Anil Chougule, A.M. Ranjan, J. Sivakumar

TEAM POLYESTER,WEAVING,KNITTING-SILVASSA

L to R: Sanjive Hansraj Sachdev , Kamal Kumar S. Tiwari ,K. V. S. Nair , Tulsi N. Karnani ,R. B. Mahapatra
Rambilas L. Bidada, Shashi Bhushan R. Sharma , Suhas S. Shirolkar

TEAM PROCESSING-VAPI

L To R : Front Row : Bhuvanesh Gupta, S. S . Aich, S. C. Goyal, A.K. Pal, S. Giridhar, S.P. Bubna
L To R : Back Row : Gurpal Singh, M. Murali Naidu, Pankaj Gohil, Santosh M. Jagtap , G.D. Gupta, Digvijay Singh, Satish K. Wanchoo

TEAM GARMENTS AND MADE UPS-SILVASSA

L to R: Koswatterallage Banda, Sandeep Mahajan, Romi Agarwal, Subhash Tiwari, Tulsi Karnani, Martin Simond, Ashok Thakkar, Munish Sharma and Dinesh Shukla.

TEAM PROCESSING- PAWANE

L To R : Front Row : Raju Kapadia, Anil Patel, Joydev Dasgupta, J. C. Panchal
L To R : Back Row : Niranjan Sajnani, Pravin Chaskar, Rajesh Khandelwal, Umesh Devatarse, A. R. Shaikh, Pradeep Jadhav

TEAM H & A

L to R: Front Row : Nitin Jaywant, Umang Garg, Pinesh Mehta,
L to R : Back Row : Ashmeer Sayyed, Bijal Vora, Dattatray Marathe

TEAM MILETA-CZECH REPUBLIC

Otakar Petracek, Gopinath Kamath, Dinesh Mall

TEAM STORE TWENTY ONE- UK

Top to Bottom : Anupam Jhunjhunwala, Cath Norgate, Karen Martin

GENERAL INFORMATION

Bankers
Allahabad Bank
Andhra Bank
Axis Bank Limited
Bank of Baroda
Bank of India
Bank of Maharashtra
Canara Bank
Dena Bank
IDBI Bank Limited
ING Vysya Bank Limited
Punjab National Bank
Standard Chartered Bank
State Bank of Bikaner & Jaipur
State Bank of Hyderabad
State Bank of India
State Bank of Indore
State Bank of Mysore
State Bank of Patiala
State Bank of Travancore
Syndicate Bank
The Federal Bank Limited
The Jammu & Kashmir Bank Limited
The Karur Vysya Bank Limited
UCO Bank

Statutory Auditors
Gandhi & Parekh
Chartered Accountants

Internal Auditors
Shah Gupta & Co.
Chartered Accountants

Devdhar Joglekar & Srinivasan
Chartered Accountants

N.T. Jain & Co.
Chartered Accountants

Bhandarkar & Co.
Chartered Accountants

T.R. Chadha & Co.
Chartered Accountants

Legal Advisors & Solicitors
Kanga & Co.

Chief Financial Officer
Sunil O. Khandelwal

President Corporate Affairs & Secretary
K. H. Gopal

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

Website
www.alokind.com

E-mail id
info@alokind.com

Registered Office
B/43, Mittal Tower,
Nariman Point, Mumbai – 400 021

Corporate Office
Peninsula Tower , 'A' Wing,
Peninsula Corporate Park,
G. K. Marg, Lower Parel,
Mumbai 400 013

Marketing Offices

Domestic

Delhi Office
F-2/9,Okhla Industrial Area
Phase-I,
New Delhi – 110 020

Bangalore Office
Ground Floor, Rajee,
8-3/1, Langford Road,
Langford Town,
Bangalore – 560 025

Chennai Office
Office No. D, First Floor,
Doshi Towers No.156,
Poonamallee High Road,
Kilpauk, Chennai – 600 010

Overseas

Sri Lanka Office
31/2, De Fonseka Place,
Colombo, Sri Lanka

U.S.A. Office
1) 7 West, 34th Street,
Suite # 607, New York,
New York - 10001
2) 123 OAK, Lawn Avenue, DALLAS, TX75207,USA

Czech Republic
BOBKOVA, 747/30-Cerny Most, Praha,190 00
Czech Republic

United Kingdom
Tureck House, Drayton Road,Shirley, Solihull,
B 90 NG United Kingdom

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

Registrar and Share Transfer Agent,

Link Intime India Private Limited

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

Works

Spinning

412, Sayli,
Silvassa - 396230
Union Territory of Dadra & Nagar Haveli.

Knitting

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

Processing

a) 254, 261, 268, Balitha,
Taluka Pardi, Dist: Valsad

b) C-16/2, Pawane,
TTC Industrial Area, MIDC, Navi Mumbai
District: Thane

Made-Ups

a) 268, Balitha, Pardi, Valsad, Gujarat
b) 374/2/2, Silvassa Khanvel Road, Saily,
Union Territory of Dadra & Nagar Haveli.

Hemming

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

Weaving

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

b) 209/1 & 209/4, Dadra,
Union Territory of Dadra & Nagar Haveli.

c) Babla Compound, Kalyan Road,
Bhiwandi – Dist. Thane

Garments

a) A 130-134, TTC Industrial Area,
Khairne, MIDC, Navi Mumbai

b) 374/2/2, Silvassa Khanvel Road, Saily,
Union Territory of Dadra & Nagar Haveli

Polyester Yarn (POY & Texturised Yarn)

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

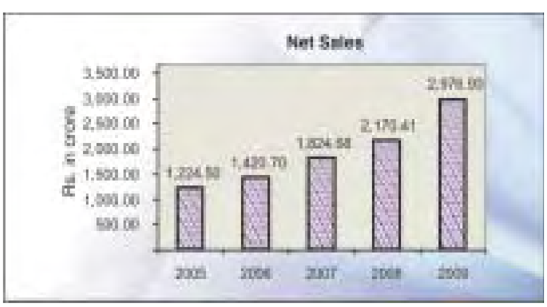
FINANCIAL HIGHLIGHTS

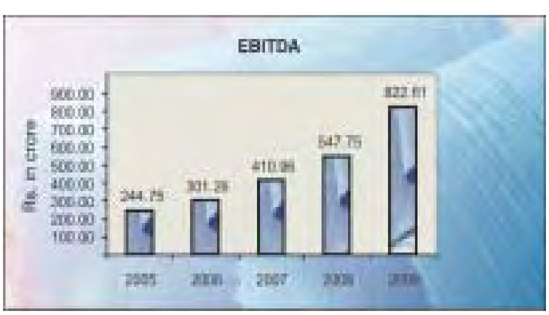
(Rs. Crore)

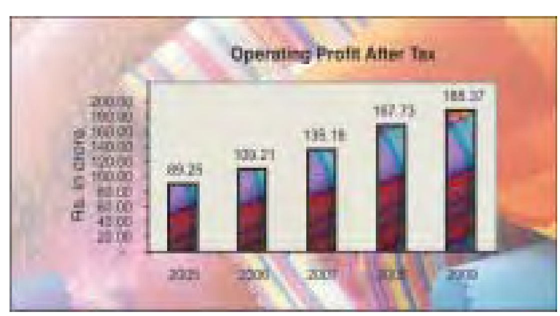
PARTICULARS	2008-09	2007-08	2006-07	2005-06	2004-05
Operating profits					
Net Sales	2,976.93	2,170.41	1,824.68	1,420.70	1,224.50
Operating Profit	822.61	547.75	410.96	301.26	244.75
Depreciation	233.50	161.96	123.04	80.48	57.56
PBIT (Operating)	589.11	385.79	287.92	220.78	187.19
Interest	304.12	131.83	89.04	66.78	63.68
PBT (Operating)	284.99	253.96	198.88	154.00	123.51
PAT (Operating)	188.37	167.73	135.18	109.21	89.25
Cash Profit (Operating)	513.98	393.14	302.50	220.70	171.39
Dividend	17.28	26.28	28.75	30.20	27.92
Net Cash Accruals	496.70	366.86	273.75	190.50	143.47
Financial Position					
Gross Fixed Assets	6,692.71	4,368.05	2,954.20	2,121.89	1,047.57
Net Fixed Assets	5,983.86	3,891.30	2,583.80	1,874.24	879.27
Current Assets	2,685.93	3,377.52	1,992.66	1,403.87	1,359.21
Investments	478.58	618.96	219.49	39.70	7.85
Foreign Currency Translation Monetary A/c	11.20	-	-	-	-
Total Assets	9,159.58	7,887.79	4,795.95	3,317.81	2,246.33
Equity Share Capital	196.97	187.17	170.37	157.47	134.02
Reserves & Surplus	1,410.39	1,134.01	854.07	650.06	460.73
Share Application Money	137.50	-	-	-	-
Share Warrants	10.20	110.16	-	-	3.32
Tangible Net Worth -(1)	1,755.06	1,431.34	1,024.44	807.53	598.07
Deferred Tax Liability - (2)	307.97	210.48	141.82	100.10	75.10
Total Long Term Borrowings					
Preference Share Capital	-	-	-	68.00	84.33
Secured Loans	4,948.43	3,706.66	2,049.13	1,392.13	823.89
Unsecured Loans - FCCB	121.01	94.87	202.87	220.63	-
Unsecured Loans	51.09	103.28	6.48	61.32	17.63
	5,120.53	3,904.81	2,258.48	1,742.08	925.85
Total Short Term Borrowings					
Secured Loans	608.64	550.00	215.00	85.00	102.08
Unsecured Loans	168.02	745.01	294.36	62.34	61.77
Working Capital Borrowings	699.16	567.49	568.92	323.08	313.54
	1,475.83	1,862.50	1,078.28	470.42	477.39
Total Borrowings -(3)	6,596.35	5,767.31	3,336.76	2,212.50	1,403.24
Total Current Liabilities					
Current Liabilities & Provisions -(4)	500.19	478.66	292.93	197.68	169.92
Total Liabilities (1 to 4)	9,159.58	7,887.79	4,795.95	3,317.81	2,246.33
EPS (Regular)	9.64	11.40	9.70	6.68	7.25
CEPS (Regular)	24.04	20.53	16.99	12.61	12.68
Book Value	89.10	76.47	60.13	51.28	44.63

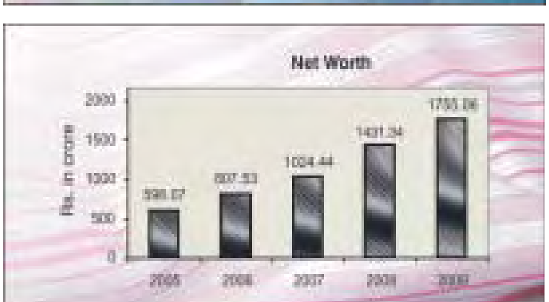
KEY RATIOS

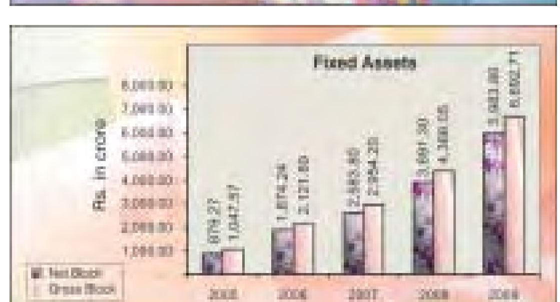
PARTICULARS	2008-09	2007-08	2006-07	2005-06	2004-05
Profitability Ratios					
EBIDTA Margin (%)	27.63%	25.23%	22.52%	21.21%	19.99%
Profit Before Tax Margin (%)	9.57%	11.69%	10.90%	10.84%	10.09%
Profit After Tax Margin (%)	6.33%	7.73%	7.41%	7.69%	7.29%
Return on Net worth (%)	9.13%	10.22%	11.52%	11.08%	11.83%
Return on Capital Employed (%)	8.20%	6.96%	8.41%	8.33%	11.71%
Gearing Ratios					
Net Debt (Long Term) – Equity	2.31	1.36	1.26	1.33	0.64
Net Total Debt – Equity	3.03	2.49	2.19	1.85	1.35
Current Ratio	1.36	1.44	1.45	2.10	2.10
Liquid Ratio	0.88	1.15	1.11	1.57	1.54
Coverage Ratios					
PBDIT/Interest	2.70	4.15	4.62	4.51	3.84
Net Fixed Assets/Secured Loans (1st Charge holders)	1.40	1.75	1.46	1.56	1.44
Working Capital Turnover Ratio	0.24	0.48	0.34	0.52	0.58
Debtors Turnover - Days	108	102	109	91	120
Inventory Turnover - Days	116	116	93	92	108











Ashok B. Jiwrajka, Executive Chairman

Dear Shareholder:

The financial year that has gone by was probably the most turbulent in recent memory. 2008-09 started with economies witnessing the most concerted and synchronised price rise for all asset categories in more than a century: the prices of agricultural products, minerals and metals, oil, commodities and foodstuffs were all headed north. After more than a decade, India witnessed double digit inflation. And oil prices were hovering around the US $ 147 mark, with pundits predicting that it would breach the US$ 200 barrier.

Then came the crash. It started as a housing problem in the US, morphed into a sub-prime crisis and , triggered by the bankruptcy of Lehman Brothers on 14 September 2008, became a full-fledged financial meltdown. Liquidity was sucked out; banks closed down its effects spread to every continent. Banks and financial institutions became wary of lending and funds for expansion or indeed sustenance became hard to access. India was no exception. In the last Annual Report, I had said that India's growth is being pegged at 8% for 2008-09 – the final estimates came in at 6.7%. The global and Indian textile industry was also adversely impacted in this financial slowdown: exports shrunk, units were shut down or reducing production and cost cutting measures became the order of the day.

"In the middle of this challenging economic environment, your Company closed the financial year ended 31 March 2009 on a decent note, maintained its exports level and started the new financial year with a healthy order book."

In the middle of this challenging economic environment, your Company closed the financial year ended 31 March 2009 on a decent note, maintained its exports level and started the new financial year with a healthy order book. Let me share some key numbers, the details of which are available in the accompanying Management Discussion & Analysis.

- Net sales increased by 37.16% to Rs. 2,976.93 crore. The Apparel Fabrics division reflected growth of 79.88%, driven mainly by domestic demand. Nearly all other divisions also grew by double digits over their previous year's performances.

- Export income was at Rs. 1,054.50 crore for the year ended 31 March 2009; which constituted 35.42% of sales and were maintained at the previous year's levels. In fact, manufactured exports (i.e. not including exports of cotton) actually grew by 32.93% over its previous year's levels to reach Rs. 1,004.89 crore – the first time in the history of your Company when manufactured exports have crossed the Rs. 1,000 crore –mark.

- Earnings before interest, taxation, depreciation and amortisation (EBITDA) increased from Rs. 591.38 crore to Rs. 822.61 crore – a year-on-year growth of 39.10%.

- Profit before taxes (PBT) reached Rs. 284.99 crore (2007-08: Rs. 297.59 crore).

- Profit after tax (PAT) reached Rs. 188.37 crore in 2008-09 (Rs. 198.66 crore in 2007-08).

- The book value per share for your Company as on 31 March 2009 stood at Rs. 89.10, compared to Rs. 76.47 as on 31 March 2008.

- Earnings per share (EPS) were at Rs. 9.64.

These are not numbers that have been achieved by chance or by good fortune. They are a result of years of planning and execution, coupled with the power of our conviction. We have always believed that scale, technology, integration, quality, product range and diversification will be and remain the keys to your Company's success, whatever be the challenges that it faces. Let me elaborate a bit on them.

Even before the Multi Fibre Agreement (MFA) regime was lifted, your Company was of the view that in order to grow, size and integration would matter. We believed that cutting edge technology will be a key enabler in producing quality textile offerings that would be appreciated by the global customer and would provide your Company with significant advantages. Your Company, therefore, had embarked on a series of capacity expansions, keeping in mind two objectives: (a) to create global scales of operations and efficiencies; (b) to be present in all elements of the textile value chain. Over the past few years, your Company has commissioned state-of-the-art plants at its manufacturing locations, along with world class infrastructure in terms of design and product development capabilities, laboratories, captive power plants and waste treatment and recycling units. These initiatives have made your Company what it is today: among India's largest integrated textile solutions companies.

We believe that your Company's range of products has been and will be one of its most distinguishing features. Your Company's integrated operations make it present across the entire textile value chain; from cotton and polyester yarn to apparel fabrics, home textiles and garments. Your Company, in effect, caters to practically the entire 'wish list' of the customer; not just for small quantities, but in global size and scale. The integration has also made your Company cost and time efficient. Global retailers are now looking for vendors who can supply them with large volumes of high quality products within a short time-frame; they prefer to buy from a few large vendors rather than multiple small ones. This 'buying consolidation' has meant that your Company, which offers large volumes of products across the textile spectrum at competitive prices, has an inherent advantage and acceptability in global markets.

But size, scale and range of products are not enough. We believe that the quality of our product offerings is and will continue to remain a key enabler in your Company's growth path. To ensure this, we have, over time, committed your Company to produce the best quality of textile products. Your Company is, among others, certified for OEKO – Tex Standard 100, GOTS / EKO for sustainable textiles, fair trade standards (FLO), ECO CERT and SKAL for its fair trade and organic cotton products.

Moreover, I am proud to inform you that your Company, has, during the year, received the IMS (Integrated Management Systems) Certification encompassing ISO 9001:2000 , ISO 14001:2004, OHSAS 18001:2007 and SA 8000:2008 at your Company's units viz., Silvassa, Vapi, Navi Mumbai and HO. I am given to understand that your Company is the only textile enterprise in India to have received this certification.

Presence across the product spectrum is one part; we believe that presence across multiple geographies is also a key to success and a major risk mitigator. Today, your Company exports to over seventy countries across the Americas, Europe, Asia and Asia Pacific, Africa and the Middle East. As stated earlier, your Company crossed Rs. 1,000 crore in manufactured exports for the first time in 2008-09; I believe that this upward growth will continue into the future.

Your Company believes that long-term growth can come about only if it is sustainable and further, sustainable growth is non-negotiable. To us, sustainable growth means not only growing shareholder wealth, but growing stakeholder wealth. Our stakeholders encompass our customers, our business partners, our employees, our society at large and the environment in which we operate.

Your Company is deeply committed to sustainable growth and the initiatives in sustainable development are holistic, based on the simultaneous pursuit of the triple bottom line – social equity, environmental quality and economic prosperity. This translates into abiding commitment for the three P's: People, Planet and Profits.

In its pursuit of social equity, your Company is committed to provide a safe and healthy working environment for its employees, training its people in best manufacturing and safety practices and involving itself in community education initiatives.

Your Company has undertaken a number of sustainable measures to ensure that environmental resources are not depleted; these include the quality of raw material resources that your Company uses, recycling waste materials and minimising manufacturing practices that adversely impact climate change. Moreover, your Company's initiatives in organic cotton help towards making cotton cultivation more environment-friendly.

On the economic prosperity front, your Company has focused on three segments: local employment, women empowerment and infrastructure development. Your Company helps to raise the quality of life in communities where it operates and be an employer of choice. In Silvassa and Vapi, your Company's presence and investments have contributed to the local economic health and have created significant employment opportunities. Recognising that women empowerment can contribute to social development and local wealth creation, your Company has trained local tribal women for its plants. A large part of infrastructural development, especially in Silvassa, can be ascribed, though not attributed, to your Company's presence. We have also directly contributed to infrastructural development by initiating a slew of measures relating to healthcare, education, meals for schoolchildren and facilitating potable water to surrounding villages.

You can read about your Company's initiatives on sustainability in greater detail in a separate section that accompanies the Management Discussion & Analysis.

We believe that our initiatives in creating sustainable manufacturing excellence, quality products and stakeholder wealth have been recognised, appreciated and supported by our shareholder community and by our financial partners. During the year, your Company came out with a Rights Issue of 40.87 crore shares of face value of Rs. 10.00, each with a premium of Re. 1.00, which were offered in the ratio of 83 shares for every 40 shares; the issue value aggregated to Rs. 449.59 crore. The Issue, which opened on 31 March 2009 and closed on 22 April 2009, was oversubscribed 1.15 times.

Looking to the near-term future, the macroeconomic indicators are starting to show positive trends. We seem to be witnessing the first signs of recovery from the global downturn, especially in Asian economies; a stronger growth is forecasted for 2010; and your Company is well-positioned to leverage this to the maximum. Therefore, I am confident that your Company will continue to grow and generate greater stakeholder value in the coming years.

Let me thank all our business partners, financial institutions and customers for their belief in us and our strategies. To Team Alok, my sincere compliments for the efforts that they have put in during a year that challenged the world. And to you for your support as a shareholder.

Yours sincerely,

Ashok B. Jiwrajka
Executive Chairman

NOTICE

NOTICE is hereby given that the **Twenty Third Annual General Meeting** of the members of **ALOK INDUSTRIES LIMITED** will be held on Friday, the 25 day of September 2009 at 11.00 A.M. at **TEXTILES COMMITTEE AUDITORIUM, P. BALU ROAD, PRABHADEVI CHOWK, PRABHADEVI, MUMBAI-400 025** to transact the following businesses.

1. To receive, consider and adopt the Balance Sheet as at 31 March 2009, the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To confirm the interim dividend of Rs. 0.75 per equity share already paid, as final dividend.
3. To appoint a Director in place of Shri Dilip B. Jiwrajka who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Surendra B. Jiwrajka who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

Special Business:

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

   "RESOLVED THAT pursuant to the provisions of section 198, 269, 309 and 310 read with Schedule XIII to the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force) the Company hereby approves the re-appointment of Shri Chandrakumar Bubna as Whole-time Director designated as Executive Director of the Company for a period of five years with effect from 1 May, 2009 on the terms and conditions including salary, perquisites, allowances and commission as are set out in the Agreement entered into between the Company and Shri Chandrakumar Bubna, placed before the meeting, which agreement is hereby specifically sanctioned with liberty to the board of directors to alter and vary the terms and conditions of the said appointment and/or agreement as may be varied by the general meeting, but so as not to exceed the limits, if any, specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto."

   "RESOLVED FURTHER THAT where in any financial year closing on and after 31 March 2009, the Company has no profits or its profits are inadequate, the Company do pay to Shri Chandrakumar Bubna, remuneration by way of salary, perquisites and allowances not exceeding the ceiling limit specified under Section II of Part II of Schedule XIII to the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force)."

By Order of the Board
K. H. Gopal
President (Corporate Affairs) &
Secretary

REGISTERED OFFICE:
B-43, MITTAL TOWER,
NARIMAN POINT,
MUMBAI - 400 021.

Dated: 29 July 2009

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, is enclosed hereto.
3. The Register of Members and Share Transfer Books of the Company will be closed from Friday, the 18 day of September 2009 to Friday, the 25 day of September 2009 (both days inclusive).
4. If the dividend on shares, as recommended by the Board of Directors, is declared at the Meeting, payment thereof will be made (i) to those members whose names appear on the Register of Members of the Company after giving effect to

all valid share transfers in physical form lodged with the Company's Registrar and Share Transfer Agent Link Intime India Private Limited as on 25 September 2009; and (ii) in respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as on 25 September 2009 in case of shares held in demat form.

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

   (a) To their Depository Participants (DPs) in respect of their electronic share accounts, and

   (b) To the Company at its Registered Office address or Link Intime India Private Limited, the Registrar and Share Transfer Agent of the Company at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai 400 078, India, Tel: +91 22 2596 3838, Fax: +91 22 2594 6969, in respect of their physical shares, if any, quoting their folio nos.

6. 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.

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

8. The Company has already transferred the unclaimed Dividend, declared upto the financial year ended 31 March 2001 to the Investor Education and Protection Fund (IEPF).

Financial year ended	Date Declaration	Last date for claiming unpaid dividend	Due date for Transfer to IEPF
31.03.2002	27.09.2002	26.09.2009	26.10.2009
31.03.2003	30.09.2003	29.09.2010	29.10.2010
31.03.2004	30.09.2004	29.09.2011	29.10.2011
31.03.2005	29.09.2005	28.09.2012	28.10.2012
31.03.2006	29.09.2006	28.09.2013	28.10.2013
31.03.2007	25.09.2007	24.09.2014	24.10.2014
31.03.2008	29.09.2008	28.09.2015	28.10.2015

Members who have not encashed their dividend warrants pertaining to the year 2001–2002 have already been informed through a separate individual written notice to approach the Company's R & TA on or before 26 September 2009, to check up and send their claims, if any, before the amounts become due for transfer to IEPF.

Pursuant to the provisions of Section 205A of the Companies Act, 1956 dividends for the financial year ended 31 March 2002 and thereafter, which remain unpaid or unclaimed for a period of 7 years from respective dates of transfer to the unpaid dividend account of the Company are due for transfer to the IEPF on the dates given in table below:

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

9. Members may avail themselves of the facility of nomination in terms of Section 109A of the Companies Act, 1956 by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's R & TA at the aforesaid address.

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

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

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

    Bombay Stock Exchange Limited
    Floor 25, P. J. Towers,
    Dalal Street, Fort,
    Mumbai - 400 001.

    National Stock Exchange of India Limited,
    Exchange Plaza, 5th Floor,
    Plot No.C/1, "G" Block,
    Bandra-Kurla Complex,
    Bandra (East), Mumbai - 400 051.

    The Listing fees in all the above stated Exchanges have been paid upto 31 March 2010.

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

By Order of the Board
K. H. Gopal
President (Corporate Affairs) &
Secretary

REGISTERED OFFICE:
B-43, MITTAL TOWER,
NARIMAN POINT,
MUMBAI - 400 021.

Dated: 29 July 2009

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant To Section 173(2) of the Companies Act, 1956

ITEM NO. 6

The members, at the Annual General Meeting held on 30 September, 2004, had renewed the appointment of Shri Chandrakumar Bubna as Whole-time Director designated as Executive Director for a period of 5 years with effect from 1 May 2004 on the terms and conditions contained in the Agreement all dated 1 May 2004 entered into between the Company and the Whole-time director. The members at their meeting held on 25 September 2007 enhanced the remuneration and perquisites payable to the above whole-time director with effect from 1 August 2007. As the original agreement expired on 1 May 2009, the Company and the aforesaid Whole-time Director have executed fresh agreement dated 1 May 2009 appointing him for a further period of 5 years with effect from 1 May 2009 on the terms and conditions contained in the said agreement. His remuneration and perquisites remain unchanged, as approved by the members at their meeting held on 25 September 2007.

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

The Agreements entered between the Company and Shri Chandrakumar Bubna is available for inspection by the members of the Company at the Corporate Office of the company between 11.00 a.m. to 1.00 p.m. on all working days of the Company, except Saturdays, upto the date of the meeting.

Shri Chandrakumar Bubna is interested in this resolution. Save and except the above, none of the other Directors of the Company are, in any way concerned or interested in the resolution.

REGISTERED OFFICE:
B-43, MITTAL TOWER,
NARIMAN POINT,
MUMBAI - 400 021.

By Order of the Board
K. H. Gopal
President (Corporate Affairs) &
Secretary

Place: Mumbai
Dated: 29 July 2009

"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

Definition from: 'Our Common Future' (also known as the Brundtland Report)

Sustainable development focuses on improving the quality of life without depleting the use of natural resources beyond the capacity of the environment to replenish them. It stresses the need to change from old sector-centred ways of doing business to new approaches that involve cross-sectoral co-ordination and the integration of environmental and social concerns into all development processes.

Responsible organisations practise economic sustainability. They recognise that performance is not in terms of mere numbers; it encompasses corporate responsibility towards a broader stakeholder universe. Sustainably responsible corporate action and behaviour demands that a balance should be struck between business needs (i.e. the need to create profits and wealth) and the demands of society and the environment. Resolving the conflict between various competing goals involves the simultaneous pursuit of social equity, environmental quality and economic prosperity – the triple bottom line; in other words, a commitment to People, Planet and Profits.

Alok is committed to grow on a path of sustainable development. To do so, over a period of time, it has adopted the following initiatives and actions.

Economic Prosperity

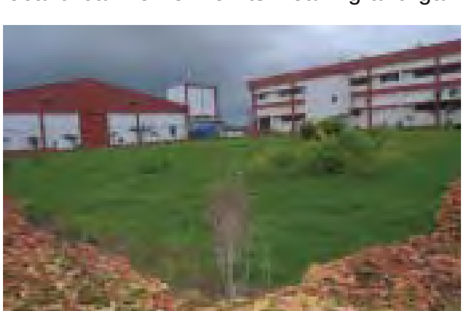
Alok believes that environment and economics need not be in conflict, and therefore, invests in renewable energies and technologies that combat pollution, and foster growth . The Company has a strong bias for active measures that produce the degree of amelioration of environmental protection deemed necessary and go beyond the levels demanded by narrowly conceived traditional regulatory processes and guidelines. At Alok, the concept of inclusiveness has been built into the organisation fibre right from its inception. Local employment, empowerment of women and development of infrastructure in the areas where the Company operates are the three facets of inclusive economic prosperity in which Alok is a contributor.

Local Employment

Alok seeks to help raise the quality of life in communities where it operates and be an employer of choice. The support takes a variety of forms. The Company has a symbiotic relationship with Silvassa and Vapi, which has encouraged and nurtured growth and development. The Company, in all humility, believes that its presence and its investments in the region have had significant impact on the territory's economic health and employment opportunities.

Women Empowerment

The Company recognises that women empowerment (especially of the economically less advantaged) is an area where there is tremendous scope for work and improvement. Local tribal women have few employment and educational opportunities; they normally would work in the fields for a meagre remuneration under often exploitative work conditions. Alok has trained these local tribal women for its weaving and garmenting plants, these women have now become active and competent performers in the Alok workforce.



Infrastructural Development

As a responsible corporate citizen, Alok recognises that infrastructural development in and around its plants positively impacts the local community and contributes to its overall well-being. Alok is involved in the repair and improvement of schools and health centres and building and maintaining community halls (in which local people conduct social functions). Alok has also directly contributed to infrastructural development by initiating measures that improve healthcare facilities, such as primary health centres. The Company is actively involved in providing facilities for sanitation, safe and potable drinking water and housing. The Company undertakes other infrastructural initiatives, such as construction of tar roads in the adjoining villages at Vapi and renovation of bus shelters and police stations.

Alok also assists in improving, maintaining and beautifying local infrastructure in and around its plants. It has developed and beautified several areas within and in the vicinity of its manufacturing locations to enhance the aesthetics of the surroundings.

Environmental Quality

While industrial growth powers the country's growing commercial economy, a fallout of rapid industrial development is the degradation of the quality of the environment: air, land and water. Such resources not only provide the foundation for agricultural production, they provide critical services to a wider rural and urban population, including surface and groundwater restoration, regulation of flooding and maintenance of biological diversity, among others. These resources are under increasing stress due to patterns of over-exploitation and broader environmental change. It is the responsibility of civil society and responsible corporations to minimise this damage. But, all things being equal, individual companies are more willing to adopt environmental protection measures only if those measures lead to competitive advantages.

At Alok, the seriousness and importance of building prosperity without depleting and despoiling nature is unchallenged. Alok chose to grow smart, investing in materials and process which were independent of environment protection goals and were, then, not automatically seen as environment protection measures. We committed resources in aligning new, clean technology with production factors to help produce textiles without diminishing natural resources.

Alok's efforts in environmental sustainability are not just limited to creating green cover. Alok works to minimise a number of environment-unfriendly elements in the business chain: the quality of resources that the Company uses, the reduction of environmental depletion and degradation due to the use of chemical fertilisers by farmers, recycling waste materials and minimising manufacturing practices that adversely impact climate change.

Organic Cotton

A green environment focus ensures that Alok uses and encourages the cultivation of eco-friendly organic cotton and use of fair trade cotton in its operations. This is a major initiative that the Company has undertaken in recent years. Cotton is one

of the most widely traded commodities, representing an essential component of foreign exchange earnings for more than fifty countries. Cultivating cotton, however, has its ecological fallout. A water-intensive crop, cotton uses approximately 11% of the world's pesticides, though it is grown on just 2.4% of the world's arable land. Some of the chemicals used for cotton cultivation are classified as toxic or carcinogenic by the U.S. Environmental Protection Agency.

'Sustainable cotton' is a socially responsible version of cotton, which involves organic farming practices in the production, manufacturing and use of cotton. The programmes help move farmers through the changeover from chemically-dependent to more biological sound approaches.

The ultimate goal of 'sustainable cotton' is to produce cotton and manufacture cotton products in a way that creates a healthy and profitable industry for growers, their communities, manufacturers, retailers and users of all cotton products. In the final analysis, it involves paying a fair price to the cultivator, redistributing part of the value addition (from cotton to branded end product) down the value chain to the farmer and helping him to reduce his input costs. It works through three aspects — increasing cultivation yields, increasing total and per unit realisations and reducing the input costs.

This is where the textile corporates and small farmer organisations (SFOs) step in. In coordination with the SFOs, ethical corporates ensure minimum support prices for the cotton yield — both conventional and organic. The SFOs, in turn, ensure that the requisite best cultivation practices and resources are made available to the widest range of farmers in order to maximise yield. This is the fair-trade practice — an internationally growing movement — not only for cotton, but for other agricultural commodities as well.

Alok is committed to making sustainable and organic cotton a viable agricultural and economic alternative. The Company has contracted with family farmers in Madhya Pradesh to harvest 140,000 acres of land for organic and sustainable cotton, duly certified by SKAL and ECO CERT, with a minimum guaranteed price to the farmers for their crop.

Moreover, to stimulate the transition to supply and demand of the organic and sustainable cotton industry, Alok has tied up with a reputed SFO. The understanding covers the following commitments:

Commitment by Farmers	Commitment by SFO	Commitment by Alok
• Convert their land to growing 100% organic cotton within four years	• Ensure maximum efficiency to pass on maximum benefit to the farmers • Provide details of impact on rural development	• Maintain the same conversion costs as that of conventional cotton • Purchase agreed-upon quantities of lint

Joint Commitment

- Develop a unique collection model and market this in the international markets at competitive prices while maintaining the positive impact on farmers' lives

Globally renowned retail brands have adopted regions for organic contract farming and 'fair trade' practices for cotton growing. Fair trade practices involve helping the cotton farmer to grow cotton through organic means (as opposed to using chemical fertilisers and pesticides that rapidly deplete soil quality) and adopting best organic farming practices. In turn, corporates pay the farmer a price for this cotton that is fair recompense for the additional effort, incremental initial cost of cultivation and the initially lower yield per hectare. Burkina Faso is one such area where this initiative has been in place for the past three years and more – and Alok has been involved in the initiative. Organic cotton grown in Burkina Faso is being converted to yarn and fabric by Alok; the fabric is then sent to garment converters for shipping to marquee brands in Europe and the Americas.

Pollution Control

Alok recognises that scarce natural resources need to be nurtured and protected – not only for the present but also for future generations. The Company's work practices are aligned to this goal – and thus every manufacturing activity has to pass the tests of sustainability, non-pollution and non-degradation of natural elements. Alok uses eco-friendly dyes for all its processing; it also ensures that the post-dyeing effluent is not discharged into the environment without it being treated. The Company operates one of Asia's biggest Effluent Treatment Plants (ETP) that recycles waste water through biological treatment, minimising solid waste through an environment friendly recycling method. Alok has also installed reverse osmosis (RO) units at its plants; these help the units to recover fresh water from treated water and thereby minimise groundwater depletion. Recovery of steam condensate for reuse in the Company's power plants also reduces the demand for water. Natural water resources utilised during the production process are not released back into the ecosystem until completely purified of effluents; simultaneously, rainwater harvesting initiatives replenish the groundwater used in the production process.

To minimise air pollution, Alok has installed Selective Catalytic Reduction (SCR) systems in the exhaust of DG sets, which reduce oxides of nitrogen. The Company has installed Compressed Natural Gas CNG based boilers and power plant at its manufacturing site, which use cleaner fuel for power output. Where fuel oil is being used, Alok has switched over to low sulphur fuel oil, which is cleaner and has less negative environmental impact. To minimise heat wastage, the heat from flue gas of the captive power plant is being utilised for steam generation.

Recycling

Recycling is an activity being looked at by every responsible manufacturer to ensure a better environment. Alok is no exception. The Company is coming up with a 10 tonnes per day (tpd) plant for recycling polyester. This plant would use polyester and polyester yarn waste, flakes and PET bottles that would be washed, crushed, converted to pellets and then dried and extruded to produce fibre. The fibre can then be used for both spinning and wadding. In addition, Alok has already put into place a programme for recycling plastic, where all plastic waste is sent out for recycling and then brought back into the plant as packing material, bags and wrapping rolls.

Textile manufacturing also generates considerable cotton waste in spinning, weaving and knitting and garmenting processes, which are usually sold as scrap. Alok, however, is exploring 'state-of the art' methods by which these can be recycled. Spinning droppings and waste, hard waste, yarn ends, fabric shredding, rags and used cloth waste are being recycled and re-used for internal consumption. A number of machines sequentially process the waste, ensuring the quality of the end-product, which is then packed into bales for use in production process.

By recycling , Alok can recover approximately 35% to 40% of the waste, which, in turn can be used as raw cotton for producing yarn. The Company generates around 7 tpd of waste, which is likely to go up to 10 tpd with the commissioning of the new spinning units. The recycling initiatives, therefore, would recover about 3.5 tpd of raw material.

The Company's efforts have been recognised by the ISO 14001:2004 certificate for environment management.

Social Equity

Social equity implies fair access to livelihood, education, and resources and full participation in the life of the community. Alok's social equity initiatives are in the fields of equitable work policies, safety for its workforce, health-care, education and training.

Fair Employment Practices

Alok engages local communities in a fair, transparent and participative manner in its employment policies. Local people are hired wherever possible; the Company has adopted measures that benefit the local population in terms of direct and indirect employment. Alok's people practices advocate complete adherence to national laws and international practices insofar as forced labour and child labour is concerned. The Company is engaging with its vendors to include them in this process. Alok inherently prohibits any discriminatory employment practices: whether by way of caste, colour, religion or gender.

Safety

Alok is committed to create and sustain a healthy, safe and environmentally friendly workplace. The Company, therefore, works actively and trains its employees to promote safe and healthy work practices.

The Company organises safety awareness training programme for all employees, highlighting safe work practices. In 2008-09, the National Safety Awareness Week (4 March to 10 March 2009) was celebrated at the Company's plants, where safety competitions were held to create awareness among all the employees in the Company. The best slogans, posters and poems for safety were nominated for prizes.

In order to ensure fire safety at the plants, an extensive fire suppression system has been put in place. The infrastructure includes the highly versatile Rosenbauer fire tenders, advanced fire detection and suppression systems with temperature sensors and high pressure sprinkler systems for early detection and suppression of fires. To make this more effective, regular fire and safety training is imparted to the workers and staff under the guidance of highly experienced fire consultant, who is employed in a full-time capacity by the Company; at Silvassa alone, over six hundred employees were trained on safety and fire prevention during the year.

During the year, the Company's Silvassa plant carried out 'HIRAR' (Hazard Identification, Risk Assessment and Risk Control) of the entire complex in order to adopt practices that would minimise accidents.

Alok has been awarded the Occupational Health & Safety Advisory Services (OHSAS) 18001 certificate.

Healthcare

Employees are regularly tested to see whether the working environment has had any impact on their health. Audiometric testing of all employees that are exposed to high noise (>90dBA) is carried out regularly. For those working in the loom shed, the lungs functioning test is a must. Employees who work in QA/QC and the electrical and instrumentation workshops are regularly tested for possible eyesight issues. The Company provides safety masks and ear plugs to workers in the production area.

To ensure the health of workers, the ambient air quality and noise levels are monitored and tested by outside experts and the HVAC plant in all spinning units have been improved. In addition, routine health check up of workers and Staff is carried out at prescribed intervals; to facilitate quick treatment of minor health-related issues, first aid boxes available across the plant premises. To facilitate young mothers to work and earn a living, crèches have been set up where trained nurses take care of the infants.

Alok seeks to partner with government and local administration in initiatives that improve the health of and provide medical facilities to local communities. At one level, these take the shape of setting up hospitals and health care centres; this in an area where Alok has been actively considering partnering local government in running hospitals and helping to construct primary health centres in adjoining villages. At another level, the Company conducts free medical check-ups, blood donation camps and also runs health awareness programmes that act as preventive mechanisms and contribute to increasing the overall health of Alok's local communities.

Education

The Company helps in refurbishing and supporting poor schools. Alok's initiatives in the education of minor children of migrant labour have helped introduce basic education to a number of children of migrant labour and local communities. Recognising that education and nutrition are correlated, Alok is adopting schools where free mid-day meals will be distributed.

Alok encourages initiatives that set up or renovate educational infrastructure. Renovations of rural primary and secondary schools, setting up of new education centres, training laboratories and the like are some of the initiatives in which Alok is actively involved. The Company is also setting up 'Anganwadis' for the education and welfare of pre-primary school rural children.

For supporting higher education, Alok has been chosen to collaborate with the government and the local administration in upgrading a government Industrial Training Institutes (ITI) at Silvassa and Vapi into centres of excellence.

People Training

Alok recognises that people development and training are key enablers for its business process. To upgrade managerial and worker skills, the Company routinely undertakes training programmes throughout the year.

At the Company's Garments Division, a workers' training centre has been established to ensure development of appropriate tailoring skills in new recruits workforce. A full time training instructor has been appointed to guide and assist the recruits in picking up appropriate tailoring skills . Apart from the technical training, these recruits are also exposed to various attitudinal training programs to ensure that they have the right mindset to perform at the shop floor.

The Spinning Division at Silvassa undertook a series of training programmes through the year, involving 3,675 people in various technical aspects of manufacturing as well as imparting training on attitudinal and safety issues. Similar training programmes are conducted at all the Company's manufacturing units.

These programmes are conducted by both in-house trainers as well as by external consultants. Moreover, appropriately selected employees at all levels are also nominated for external training programmes. A Behavioural Training programme that is currently being conducted at Alok targets Heads of Departments and is being conducted by an external agency. To create greater awareness and usage of the IT backbone, continuous training programmes in IT applications are conducted in-house on a 'need' basis; this has been ongoing since May 2008.

The Company has in place a separate social compliance department to ensure the well being of employees. The Company's efforts on Social Accountability have been recognised by major global customers, as well as by external certifying agencies. In June 2009, Alok has been awarded the SA 8000:2008 certification. The SA8000:2008 certification is based on the UN Universal Declaration of Human Rights, Convention on the Rights of the Child and various International Labour Organisation (ILO) conventions and covers areas of accountability like labour practices, workplace safety and health, discriminatory employment practices and remuneration.

Alok and Sustainability: the Future

Sustainable Development could mean the maintenance of aggregate stocks, inventories or qualities of economic, social, ecological or institutional assets over time. The question, however arises: how to measure this? Indicators can provide the answer; and the 'Life Cycle Assessment' indicator could be one such 'composite measure of sustainability'.

Life Cycle Assessment analyses the environmental performance of products and services through all phases of their life cycle: extracting and processing raw materials; manufacturing, transportation and distribution; use, re-use, maintenance; recycling, and final disposal. The concept works on four pillars: (a) defining the goal and scope of the study to the intended application; (b) collecting data related to all environmental and technical quantities and their input-output ratios (e.g. use of fuel and amounts of emission produced); (c) assessing life cycle impact (i.e. understanding how each process affects the overall environment); and lastly, (d) interpretation of the data to formulate optimisation plans and generate learnings.

It must also be said that there is no templated solution to corporate sustainability. It is a continually evolving process. Constant measurement and improvement are what makes a business or a corporation sustainable over a period of time. Sustainable development emphasises the need for a concern for equity and fairness, a long-term view and understanding the interconnections between the environment, economy and society.

Sustainable development is not a detailed plan of action that can be blindly followed: a 'checkbox' approach does not work. Solutions differ between places and times and depend on the mix of values and resources. And Alok will continue to do so in its drive to become an economically prosperous yet sustainable corporation.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders:

We have pleasure in presenting the 23 Annual Report of your Company together with the Audited Accounts for the financial year ended 31 March 2009. The summarised financial results (stand-alone and consolidated) are given below in Table 1.

Table 1: Financial Highlights: Stand-Alone and Consolidated

(Rs. Crore)

PARTICULARS	Stand alone		Consolidated	
	2008-09	**2007-08**	**2008-09**	**2007-08**
Sales / Job charges (net of excise)	**2,976.93**	**2,170.41**	**3,090.78**	**2,282.01**
Other Income	**20.81**	**67.94**	**45.96**	**69.08**
Total Income	**2,997.74**	**2,238.35**	**3,136.74**	**2,351.09**
Total Expenditure	2,175.13	1,646.97	**2,322.29**	1,765.30
Profit Before Interest, Depreciation & Taxes	**822.61**	**591.38**	**814.45**	**585.79**
Interest	304.12	131.83	341.03	133.13
Depreciation	233.50	161.96	240.15	166.19
Profit / (Loss) Before Tax	**284.99**	**297.59**	**233.27**	**286.47**
Provision For Taxation				
— Current	(32.98)	(33.67)	(34.38)	(34.76)
— MAT Credit Entitlement	28.65	4.12	28.65	4.12
— Deferred	(89.80)	(68.13)	(88.48)	(67.50)
— Fringe Benefit Tax	(1.75)	(1.26)	(1.79)	(1.26)
— Excess / (Short) Provision Of Income Tax in respect of earlier years	(0.74)	-	(0.74)	-
Net Profit / (Loss) After Tax	**188.37**	**198.66**	**136.53**	**187.07**
Add: Share of Profit of Associates	-	-	(68.05)	0.03
(Add)/Less: Minority Interest	-	-	5.57	2.55
Profit After Tax after Minority Interest	**188.37**	**198.66**	**74.05**	**189.65**
Add: Balance brought forward	296.20	216.18	287.15	216.14
Balance Available for Appropriation	**484.57**	**414.84**	**361.20**	**405.79**
Add / (Less): Dividend for Earlier Years	(0.17)	(0.19)	(0.17)	(0.19)
Dividend: Equity	14.77	22.46	14.77	22.46
Preference	-	-	-	-
Tax On Dividend	2.51	3.82	2.51	3.82
Transfer to Debenture Redemption Reserve	190.83	73.55	194.30	73.55
Transfer to General Reserve	-	19.00	-	19.00
Balance Carried To Balance Sheet	**276.63**	**296.20**	**149.78**	**287.15**

Notes:

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

Performance

During the financial year, your Company recorded sales of Rs. 2,976.93 crore (increase of 37.16%) and profit before tax of Rs. 284.99 crore (decrease of 4.23%) over the previous year. Your Company's exports (including incentives) increased 1.70% — from Rs. 1,036.88 crore in 2007-08 to Rs. 1,054.50 crore during the year under review.

The sales performance of all the divisions of your Company, their share in the overall business and their growth over last year are reflected in Table 2 below.

Table 2: Division-wise Sales Performance: 2008-09 vs. 2007-08

(Rs. Crore)

PARTICULARS	Total Sales for the year ended 31 March 2009	% to Total Sales	Total Sales for the year ended 31 March 2008	% to Total Sales	% Changes
Cotton Yarn	111.10	3.73%	294.05	13.55%	(62.22%)
Apparel Fabric	1,609.56	54.06%	894.79	41.22%	79.88%
Home Textiles	498.54	16.75%	389.02	17.93%	28.15%
Garments	138.58	4.66%	99.56	4.59%	39.19%
Polyester Yarn	619.15	20.80%	492.99	22.71%	25.59%
Total	**2,976.93**	**100.00%**	**2,170.41**	**100.00%**	**37.16%**

Note:

The Retail Operations of Alok Industries Ltd. has been transferred to Alok Retail (India) Ltd. w.e.f. 1 December 2008. All sales of Retail Operations till that date have been allocated to the respective business segments: Apparel Fabrics, Home Textiles and Garments

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

Dividend

Your Directors had recommended and you had approved the payment of interim dividend of Rs. 0.75 per equity share of Rs. 10/- each. A total amount of Rs. 14.77 crore (excluding tax of Rs. 2.51 crore) was made on 6 May 2009, with the record date of 2 May 2009.

Your Directors feel that prudent business practice demands that, at a stage where your Company is growing rapidly, the financial reserves of your company should be built up. Keeping this in mind, the Directors recommend that the interim dividend paid be treated as the final dividend and no further dividend be declared for the year ended 31 March 2009.

Capital

During the year under review, your Company allotted following equity shares:

(Rs. Crore)

Sr. No.	Details of Issue	No. of Shares Issued	Amount of Issue	Equity Capital Amount	Premium Amount
	Equity as at 1 April 2008	187,174,969	-	187.17	506.80
	Preferential allotment to Promoter Directors @ Rs. 102.00 per share	9,800,000	99.96	9.80	90.16
	Equity as at 31 March 2009	**196,974,969**		**196.97**	**596.96**

The Company, on 31 March 2009, announced Rights Issue of 408,723,061 equity shares with a face value of Rs. 10/- each for cash at a price of Rs. 11/- including premium of Rs. 1/- aggregating to Rs. 4,495,953,671/- to the existing shareholders of the Company on Right Issue basis in the ratio of 83 rights equity shares for every 40 equity shares held on the record date, i.e. 25 March 2009. The issue was closed on 22 April 2009 and was oversubscribed 1.15 times.

Utilisation of Rights Issue Proceeds

PARTICULARS	30 June 2009	31 Mar 2009
Money Received	397.59	137.50
Utilised for Long Term Working Capital & General Corporate Purposes	397.59	92.50

Reserves

Your Company proposes to transfer Rs. 190.83 crore to Debenture Redemption Reserve out of the balance available for appropriation; therefore, after transfer to Debenture Redemption Reserve, the balance of the Profit & Loss Account would stand at Rs. 276.63 crore. At the end of the financial year, the total reserves of the Company stood at Rs. 1,410.39 crore; the corresponding figure at the end of the previous year was Rs. 1,134.01 crore.

Loans

During the year under review, your Company has raised incremental debt, both secured and unsecured, by way of rupee loans, foreign currency term loans and non-convertible debentures aggregating to Rs. 829.04 crore.

Capital Expenditure

The Terry Towel project, which was part of Phase I & II, was commissioned during the year under review. Your Company has also successfully commissioned Continuous Polymerisation (CP) Plant at Saily (Silvassa). Phase III and Phase IV of the expansion of your Company's capacities, aggregating to Rs. 1,100 crore and Rs. 1,180 crore, stands largely completed; the balance portion is progressing well. Details of your Company's expansion plans have been dealt with under the head 'Capacity Expansion' in the Management Discussion and Analysis accompanying this Report.

Subsidiary Companies and Consolidated Financial Statements

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

Subsidiaries of Alok Industries Ltd.		Step-down Subsidiaries of Alok Industries Ltd.	
		Subsidiary	Parent Company
1.	Alok Infrastructure Ltd.	Alok Realtors Private Limited	Alok Infrastructure Ltd.
2.	Alok Apparels Pvt. Ltd.	Alok Aurangabad Infratex Pvt. Ltd.	Alok Land Holdings Pvt. Ltd.
3.	Alok Retail (India) Ltd.	Alok New City Infratex Pvt. Ltd.	Alok Land Holdings Pvt. Ltd.
4.	Alok Land Holdings Pvt. Ltd.	Alok HB Properties Pvt. Ltd.	Alok Infrastructure Ltd.
5.	Alok Industries International Ltd.	Alok HB Hotels Pvt. Ltd.	Alok Infrastructure Ltd.
6.	Alok Inc.	Mileta a.s.	Alok Industries International Ltd.
7.	Alok International Inc.	Alok European Retail s.r.o.	Alok Industries International Ltd.

The Central Government has granted an exemption to your Company pursuant to Section 212(8) of the Companies Act, 1956 from attaching a copy of the Balance Sheet, Profit & Loss Account, Report of the Board of Directors and the Report of the Auditors of the subsidiary companies and hence the same has not been attached with the financial statements of your Company. These documents will be made available upon request by any member of your Company and / or any of its subsidiaries. Further, in line with the Listing Agreement and in according with the Accounting standards 21 (AS – 21) Consolidated Financial Statements, prepared by the Company include financial information of its subsidiaries. The Annual Accounts of the subsidiary companies and the related detailed information will be made available to the shareholder seeking such information at any point of time. The annual accounts of the Subsidiary Companies will also be kept for inspection by any shareholder at its registered / corporate office and that of the concerned subsidiary companies.

Business and Operations

Your Company's textiles operations have shown encouraging growth , both in the domestic and in the exports markets. The capacity expansions which your Company had been putting in place for the past few years are nearing completion and the volume increases are starting to be reflected in operations and sales. Marketing initiatives across the world have both de-risked your Company as well as contributed to a healthy order book. Your Company believes that its scale of operations and integration across the textile chain will, in future, offer significant advantages in both cost and revenue.

Given the increasing spending capacity of the middle-class consumer segment in India, retail remains an exciting prospect over the medium term. Your Company's retail initiative is operated through its wholly owned subsidiary Alok Retail (India) Ltd., which has opened ninety 'H&A' stores across India as on the date of this Report. Your Company wishes to expand the 'H&A' footprint to over 300 stores during the current financial year.

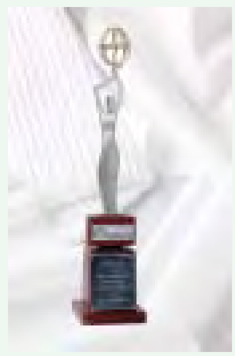
Your Company's investment in Grabal Alok (UK) Ltd., as part of the Group's overseas retail foray is now starting to show improved results. The stores, which are spread across the UK and offer quality apparel and fashion products at affordable prices, are also in the process of being re-branded from 'qs' to Store Twenty One'. The second half of FY 2008-09 has reflected improved topline; thanks to cost rationalisation and efficiency maximisation measures, the 'middle line' has also shown improvement. This encouraging trend has been carried on during the first quarter of the current financial year as well.

More details about your Company’s business structure and initiatives are contained in the Management Discussion & Analysis.

Awards and Recognition

During the year under review, your Company has been given the following awards and recognitions:

a) SILVER TROPHY awarded by TEXPROCIL for ‘Highest Exports of Made-ups’
b) GOLD TROPHY awarded by TEXPROCIL for‘Highest Exports of Bleached / Dyed / Yarn-dyed / Printed Fabrics’
c) BRONZE TROPHY awarded by TEXPROCIL for ‘Highest Global Exports’
d) SPECIAL ACHIEVEMENT AWARD awarded by TEXPROCIL ‘Exports in Fabrics’
e) International Trade Awards 2008-09; presented by DHL - CNBC TV 18 and powered by ICRA: as ‘Outstanding Exporter of the Year – Textiles’



Corporate Social Responsibility

Alok’s Corporate Social Responsibility (CSR) philosophy is focused on growing the business while ensuring that the concerns of the environment in which it operates are adequately and sustainably addressed. This encompasses the natural environment, as well as the people and communities that live in the areas where the Company operates its businesses.

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

Corporate Governance

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

Fixed Deposits

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

Insurance

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

Directors

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

During the year, Mr. K. C. Jani, and Mr. R. J. Kamath, nominees of IDBI Bank Limited, resigned from the Board of Directors w.e.f. 8 September 2008 and 30 December 2008, respectively. Mr. K. D. Hodavdekar was appointed in the place of Mr. K. C. Jani and Mr. A. B. Dasgupta was appointed in the place of Mr. R. J. Kamath. The Board wishes to place on record their appreciation for the contributions of Mr. K. C Jani and Mr. R. J. Kamath during their tenure as Directors of your Company.

Directors’ Responsibility Statement

As stipulated in Section 217(2AA) of the Companies Act, 1956, your Directors subscribe to the ‘Directors’ Responsibility Statement’ and confirm that:

- in the preparation of the annual accounts for the financial year ended 31 March 2008, the applicable Accounting Standards have been followed and there has been no material departure;

- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31 March 2008 and of the profit of your Company for the year on that date;

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

- the Directors have prepared the annual accounts for the financial year ended 31 March 2009 on a 'going concern' basis.

Auditors and Auditors' Report

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

The retiring Auditors of your Company, M/s. Gandhi & Parekh, are eligible for re-appointment and have indicated their willingness to accept re-appointment. In terms of Section 224A of the Companies Act, 1956, their re-appointment needs to be approved by the members and their remuneration has to be fixed.

Cost Auditor

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

International Financial Reporting Standard (IFRS)

Deloitte Haskins & Sells, Chartered Accountants have been mandated to assist in compilation of Financial Statements under IFRS, to support the capacity building / training needs as well as recommend measures to adapt to the new dispensation as per convergence roadmap applicable to the company.

Human Resources

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

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

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

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

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

Acknowledgements

Your Directors wish to place on record their appreciation of the dedication and commitment of your Company's employees to the growth of your Company. Your Directors wish to thank the Central and State Governments, Financial Institutions, Banks, Government authorities, customers, vendors and shareholders for their continued cooperation and support.

For and on behalf of the Board

Place : Mumbai
Dated: 29 July 2009

Ashok B. Jiwrajka
Executive Chairman

ANNEXURE "A" TO THE DIRECTORS' REPORT

Additional Information as required under the Companies (Disclosure of particulars in the Report of the Board of Directors)Rules, 1988:

(A) CONSERVATION OF ENERGY

(a) Energy conservation measures taken:

Your company's pursuit of energy conservation measures continues to assume significant improvements in daily operations. Apart from periodic energy audit programmes and employees suggestions for conservations, the following are the energy conservation measures initiated during the year under review:

- Use of Centralized Cooling Towers
- Installation of VFD in HVAC pumps
- Installation of VFD in Screw Compressors
- Installation of VFD in Inspection machines
- Providing HOC Dryers in place of Refrigerant Dryers
- Provision of Roof Extractors
- Switched over from DX System based Air-conditioning Plant to Air Cooled Chillers
- Electronic ballasts for lighting
- Optimum suction pressure for dust collection system in Ring frame area for saving power.
- Installation of APFC panel to maintain the power factor.
- Installation of Turbo type mechanical ventilators to extract heat which do not consume energy.
- Monthly stack monitoring carried out on Boilers & Thermopacks for O2, CO2, CO, Temp. excess air & efficiency.
- Usage of waste heat energy from Reaction by product to generate air-conditioning
- Utilization of combustible material dissolved in Effluent water from process by stripping and using them in Heating furnace as fuel
- Utilization of hot water coming of DG sets to generate airconditioning
- Provision of waste heat recovery from DG set exhaust gases.

(b) Additional investment and proposals being implemented for reduction of consumption of energy

- Installation of inverter control suction pressure for Ring Frame pnumafil fan suction motor.
- Gas Conversion on machines from LPG to CNG:
- Installation of 28-watt tube light fitting in place of 40 watt (270 nos)
- Overall voltage reduction from 440 v to 410 volt
- Voltage Stabilizer for Lighting

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

As a responsible corporate citizen, your company, understands the need and benefits of energy conservation. The measures listed above have led / will lead to considerable savings in energy consumption and consequent lowering of the cost of production.

FORM "A"

Form for disclosure of particulars with respect to conservation of energy.

A) Power and Fuel Consumption	2008-09	2007-08
1) Electricity Purchased		
Units	219,680,408	220,372,895
Total amount (Rs. in crore)	74.38	68.16
Average Rate/Unit (Rs.)	3.39	3.09
2) Own Generation through Diesel Generator Set		
Units	121,853,573	16,075,720
Total amount (Rs. in crore)	52.40	7.10
Average Rate/Unit (Rs.)	4.30	4.42
3) Own Generation through Co-generation		
Units	19,685,900	34,016,793
Total amount (Rs.in crore)	7.20	17.89
Average Rate/Unit (Rs.)	3.66	5.26

FORM "A" (Contd...)

			2008-09	2007-08
4)	**Own Generation through Gas Turbine**			
	Units		-	3927981
	Total amount (Rs.in crore)		-	3.11
	Average Rate/Unit (Rs.)		-	7.92
5)	**a)**	**Furnace Oil consumed for boiler**		
		Total amount (Rs. in crore)	16.37	55.79
	b)	Furnace Oil consumed for steam		
		Total amount (Rs. in crore)	57.81	-
	c)	Natural Gas consumed		
		Total amount (Rs. in crore)	2.66	18.46
	d)	Coal consumed		
		Total amount (Rs. in crore)	1.08	
B)		**Consumption per unit of Production**		
	a)	Yarn (Kgs.)	73,092,632	45,965,044
		Units Consumed (per kg.)	1.45	1.20
	b)	Fabric- Knits (Kgs.)	7,829,482	3,135,935
		Units Consumed (per kg.)	0.81	1.46
	c)	Fabric Woven (Mtrs.)*	207,657,103	114,720,262
		Units Consumed (per Mtr.)	0.63	0.64
	d)	Processing- Woven (Mtrs.)	102,946,237	99,101,189
		Units Consumed (per kg.)	1.91	1.72
	e)	Processing- Knits (Kgs.)	5,502,949	4,020,866
		Units Consumed (per kg.)	1.91	1.72
	f)	Garments (Pieces)	4,953,788	496,854
		Units Consumed (per Pieces.)	0.18	0.14
	g)	SL Madeups (Kgs)	6,500,341	5,151,416
		Units Consumed (per kg.)	0.46	0.68
	h)	Poy (Kgs)	49,042,925	46,758,275
		Units Consumed (per kg.)	1.31	0.85
	i)	Spinning (Kgs)	24,594,724	6,541,798
		Units Consumed (per kg.)	4.39	1.94
	j)	Handkerchief (Pieces) *	6,962,509	-
		Unit Consumed (Pieces)	0.03	-

*** Includes part of the activities carried outside.**

FORM "B"

			2008-09	2007-08
B)	**Technology Absorption**			
			NIL	NIL
C)	**Foreign Exchange Earnings and Outgo**		**2008-09**	**2007-08**
	i)	**Total Earnings of Foreign Exchange**		
		FOB Value of Exports	**972.48**	969.00
		Interest received on Fixed Deposits	**2.51**	6.95
	ii)	**Total Outgo in Foreign Exchange**		
		Advertisement Expenses	**0.01**	0.24
		Foreign Travel	**9.55**	1.32
		Legal and Professional Expenses	**4.40**	4.15
		Interest on foreign Currency Term Loans	**46.86**	29.60
		Internet Expenses	**0.14**	0.26
		Fees Rates & Taxes	**1.47**	-
		Claim For damaged Goods	**3.98**	-
		Donation	**0.01**	-
		Freight Insurance	**0.36**	-
		Inspection Fees	**0.50**	-
		Repairs & Maintenance	**0.27**	-
		Upfront Fees	**0.17**	-
		Office & Factory Salaries / Wages / Stipend	**0.71**	-
		Testing and Laboratory Expenses	**0.14**	0.25
		Commission	**6.30**	4.23
		Total	**74.87**	40.05

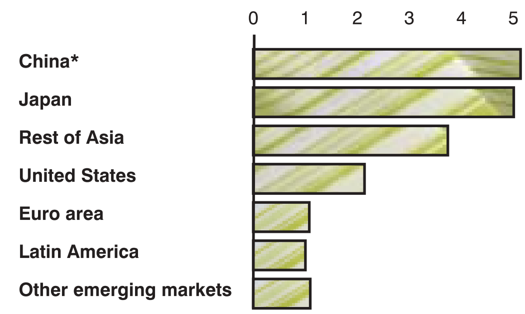
Economic Overview

2008-09 was a year of contrasts. The first part of the year saw a concerted rise in the prices of all asset and commodity classes – minerals, metals, oil, foodgrains, agricultural commodities and real estate. Indian inflation reached double digits for the first time in more than a decade. The second part of FY 2008-09, on the other hand, witnessed one of the sharpest global economic contractions since World War II. Credit conditions tightened, consumer confidence declined and companies around the world reduced production, adopted cost cutting measures and implemented survival strategies.

Central banks and governments across the world reacted to the situation by pumping in billions of dollars by way of fiscal and interest rate stimuli (Chart A). According to some estimates[1], till March 2009, over 3% of the world's GDP in 2008 has been injected into economies across the world. In addition to the US$ 800 billion that has been pumped into the US economy, the G20, in April 2009, announced a stimulus package of US$ 1.1 trillion.

The International Monetary fund (IMF) estimates that the global economy is expected to contract by 1.4% in 2009[2]. USA has reported three successive quarters of negative growth. The Euro zone countries, too, are facing deflationary pressures. Japan's GDP has shrunk by 12.1%.

Chart A : Fiscal stimulus as % of GDP, 2009



*Including public infrastructure financed by banks

Source : *The Economist* estimates

Over the past month, however, macroeconomic indicators point to stability and recovery. The worst phase of the recession seems to be over. Asian economies, in particular, seem to be returning to a growth path, albeit slowly. Recent reports published by a number of investment and research houses indicate cautious optimism about calendar 2009 and more robust hopes of growth for 2010, by which time the global economy is estimated to expand by 2.5%.

Asia & India

Amidst the global economic slowdown, Asian economies, led by China and India, have grown, though not at the same pace as in the recent past. For calendar 2009, China reported GDP growth of 7.5%, which, though sharply lower than the 9% and 13% growth rates of earlier years, nevertheless, represents the fastest growth rate of any major economy in the world during the last year. Most emerging Asian economies are export-driven, and hence susceptible to global recessionary pressures; however, economic indicators, including manufacturing output, point to Asian economies recovering much faster than their European or American counterparts. This is borne out by 'The Economist', which says "*Thanks to a large fiscal stimulus and the healthier state of private-sector balance-sheets in most economies, domestic spending (consumption and investment) should revive earlier in emerging Asia than elsewhere, rising by perhaps 7% next year, up from 4-5% this year*".

GDP estimates for 2008-09 reflect growth of 6.7%[3]. The RBI and government have acted in concert to stem declining growth. Three rounds of fiscal stimulus and economic packages pumped substantial sums into the Indian economy. The latest, on 24 February 2009, announced Rs. 30,000 crore worth of tax cuts, excise duty and countervailing duty rate reductions. Excise duty on selected items was reduced; service tax was reduced from 12% to 10%.

Although the central bank has made a series of interest rate cuts, commercial banks still have headroom to reduce interest rates and thereby boost credit offtake and economic activity. This is also the signal that is being sent out by the recently elected government, which has received a convincing mandate from the Indian electorate and therefore should be able to aggressively pursue the path of economic recovery.

The Union Budget declared on 6 July 2009 has given a clear indication that government aims at achieving GDP growth rate of 9% at the earliest with focus on all-round development of the economy. A large part of this growth is likely to come from government investment in infrastructure, though it is expected that given Indian households' low rate of consumption and borrowing, they have scope to spend more, thus stimulating economic growth.

1 Source: International Institute of Labour Studies, based on Bloomberg, CNBC and national newspapers
2 Source: IMF: World Economic Outlook Update, 8 July 2009
3 Source: Reserve Bank of India, Annual Policy, First Quarter Review, 27 July 2009

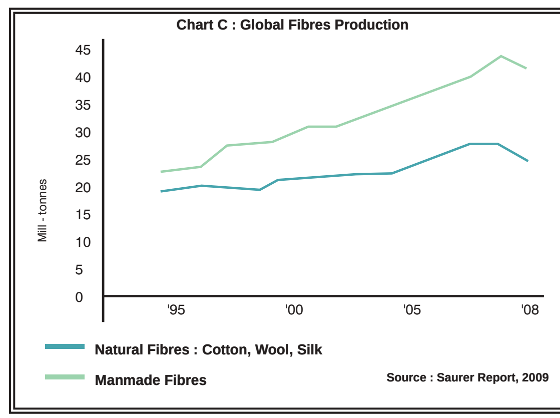
Fibres, Textiles and Clothing Overview

Industry: The Global Scenario

The present global merchandise trade for textiles and clothing is estimated to be US$ 583 billion, of which the textiles segment contributes 41%; the balance 59% comprises of clothing trade. Together, clothing and textiles contribute to 4.3% of the world's merchandise trade and to 6.1% of global manufactures (clothing 3.6%; textiles 2.5%).[4]

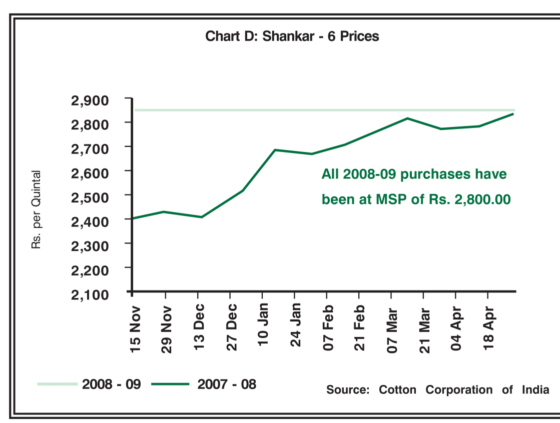
Due to the global economic slowdown in 2008-09, textile markets across the world have been impacted; particularly affected were retail sales for textiles and clothing in the US (Chart B). The situation was aggravated by surging crude oil prices (until July 2008) and high cotton prices (until August). Total fibre consumption dropped 6.7% to 67.3 million tonnes, equal to an average per capita consumption of 10 kg and represents a demand shortfall of about 4.85 million tonnes.[5]

All fibre types suffered from slowing demand. Usage of cotton, wool and silk decreased by 10.1% to 25.2 million tonnes and manmade fibres fell by 4.5% to 42.2 million tonnes. (Chart C). In the world market, cotton prices have begun to drop from August 2008, as textile demand has softened. But, with acreage under crop in all leading cotton-growing countries shrinking, it is anticipated that prices will rise over a period in time – more so, when the economic recovery spurs manufacturing activity and consumer demand.[4]



Industry: India

The Indian textile industry occupies a position of importance in the economy. In 2007-08 it contributed 4% to the GDP, 14% to industrial production, 14% to the manufacturing sector and 17% to the country's total export earnings. Over 35 million people are directly employed in it, in addition to which a further 55 million people are indirectly benefited from it. The sector has an estimated market size of US$ 61 billion (US$ 38 billion domestic; US$ 23 billion exports). It is expected that by 2012, the industry will grow to a size of US$ 110 billion, of which US$ 50 billion should be from exports[6]. As per the latest available WTO data, India's percentage share in the global textiles export was 3.97% (US$ 9.45 billion) in textiles, and 2.79% (US $ 9.65 billion) in clothing during the year 2007.[7]



Cotton is a key raw material input for the Indian textile industry and cotton prices, to a large extent, determine the profitability of cotton textile units. In 2008-09, Government of India (GoI) hiked the Minimum Support Price (MSP) for procuring cotton from farmers, by as much as 47% in some cases. For example, in 'Shankar – 6' cotton, the MSP was hiked from Rs. 2,055 per quintal (100 kgs) in 2007-08 to Rs. 2,850 per quintal – a rise of 36%. As a result, cotton procurement prices for 2008-09 across the year was higher than the peak prices of the previous year (Chart D).

This, in turn, led to small and medium ginning and spinning mills coming under severe cost pressure. In 2009-10, however, cotton prices have softened. By mid-June 2009, most varieties of Indian cotton saw downward movement in prices. The price drop ranged between Rs. 100-300 a candy (1 candy = 355.6 kilograms).[1]

To support the textile industry, GoI announced a series of stimulus packages which includes the following:

- Fresh allocation of Rs. 1,400 crore for quick TUFS subsidy release; subsequently, in August 2009, GoI has released Rs. 2,546 crore against pending TUFS dues.

4 Source: WTO Statistics Handbook, 2008
5 Source: Saurer Fibre Report, 2009
6 Source: Technopak Analysis
7 Source: WTO Statistics Handbook, 2008

- Interest subvention of 2% on pre-shipment and post-shipment credit.
- Extension of the DEPB scheme till December 2009, with an increase of rates by 3%.
- 4% reduction in excise duty rate on polyester yarns – which was subsequently reversed in the Union Budget announced on 6 July 2009.
- Although Indian exports of textiles and clothing showed marginal increase in 2008-09 on an overall basis, some trends have emerged that need to be highlighted.
- Indian textiles exports did slow down during 2008-09 by about 2% – but the maximum de-growth in exports took place in the handicrafts segment, followed by cotton yarn and jute products. Textile exports, on the other hand, grew by 4.6% during 2008-09 to reach US$ 10.13 billion.
- The demand slowdown in USA and Europe has led to increase in demand for basic products as opposed to luxury products. India has been traditionally catering to the mid-market segment, which has seen growth during 2008-09 – and this is expected to sustain during 2009-10 as well.
- To save on logistics and procurement costs, large global buyers are actively going in for vendor consolidation; thus integration, scale of operations, efficiencies and a capability to satisfy demanding customers with large volume orders on time have become the key differentiators in the textile industry today.

On the domestic front, notwithstanding the current economic slowdown, India's population of more than 1.1 billion people continues to offer an important market for consumer goods. Typically, domestic textile demand has grown in line with the growth in GDP and the large number of middle-class households offer considerable potential for manufacturers and retailers. Also, according to economic indicators, the Asian economies (with China and India leading) are likely to recover faster from the downturn; the first signs are already being witnessed. Hence, for the textile industry in India, the growth potential remains encouraging.

Financial Performance

For Alok Industries Ltd. ('Alok' or 'the Company'), 2008-09 was a year characterised by topline growth, a healthy order book and an increasing preference among global retailers for their procurement solutions. Table 1 gives the 3-year financial summary.

Table 1: Key Financial Indicators: Stand-alone – for the past three years

(Rs.Crore)

PARTICULARS	Year ended 31 March			% Change	3- Year
	2009	2008	2007	2009 vs. 2008	CAGR
Net Total Sales	2,976.93	2,170.41	1,824.68	37.16%	27.73%
Export Sales	1,054.50	1,036.88	641.71	1.70%	28.19%
EBIDTA	822.61	591.38	444.39	39.10%	36.06%
Depreciation	233.50	161.96	123.04	44.17%	37.76%
Interest	304.12	131.83	89.04	130.69%	84.81%
PBT	284.99	297.59	232.31	(4.23%)	10.76%
PAT	188.37	198.66	164.70	(5.18%)	6.94%

Note:Previous years' figures have been re-grouped where necessary

8 Source: Yarns & Fibres Report, 17 June 2009
9 Source: The Economic Times
10 Source: Financial Express: 13 June 2009

Stand-alone Financials

Table 2 gives the stand-alone financial performance of Alok Industries Ltd. for the year ended 31 March 2009.

PARTICULARS	Year ended 31 March 2009		Year ended 31 March 2008		% Change
	(Rs. Crore)	% to Sales	(Rs. Crore)	% to Sales	
Net Sales	2,976.93		2,170.41		37.16%
Other Income	20.81		67.94		(69.37%)
Total Income	**2,997.74**		**2,238.35**		33.93%
Material Cost	1,460.17	49.05%	1,121.71	51.68%	30.17%
People Cost	110.25	3.70%	78.01	3.59%	41.33%
Other Expenses	604.71	20.31%	447.25	20.61%	35.21%
Total Expenditure	**2,175.13**	**73.07%**	**1,646.97**	**75.88%**	**32.07%**
EBIDTA	**822.61**	**27.63%**	**591.38**	**27.25%**	**39.10%**
Depreciation	233.50	7.84%	161.96	7.46%	44.17%
Interest & Finance Cost	304.12	10.22%	131.83	6.07%	130.69%
PBT	**284.99**	**9.57%**	**297.59**	**13.71%**	**(4.23%)**
Less: Provision For Taxes					
Current Tax	32.98		33.67		
Deferred Tax	89.80		68.13		
Fringe Benefit Tax	1.75		1.25		
MAT Credit Entitlement	(28.65)		(4.12)		
Prior Period Adjustment of Tax	0.74		-		
PAT	**188.37**	**6.33%**	**198.66**	**9.15%**	**(5.18%)**

Note: Previous year's figures have been re-grouped where necessary

Profitability and Ratio Analysis

- **Net Sales** for the year ended 31 March 2009 were at Rs. 2,976.93 crore, an increase of 37.16% over the previous year's sales of Rs. 2,170.41 crore – brought about by both volume growth and better realisations. Maximum growth was seen in the Apparel Fabrics division (79.88% year-on-year growth).
- **Other Income** for 2008-09 was at Rs. 20.81 crore (Rs. 67.94 crore during 2007-08). A major constituent of other income for 2008-09 was an insurance claim of Rs. 15 crore, representing part payment received against a 'Loss of Profits' policy for the fire at the Silvassa texturising plant that occurred in 2007-08.
- **Material Cost** for the year was at Rs. 1,460.16 crore – 30.17% higher than the 2007-08 material cost of Rs. 1,121.71 crore. Material cost as a percentage to sales reduced from 51.68% in 2007-08 to 49.05% in 2008-09 – reflecting the benefits of integration and economies of scale.
- **People Cost** has gone up by 41.33% in 2008-09 to Rs. 110.25 crore (Rs. 78.01 crore in 2007-08). Due to capacity expansions, Alok's total headcount (including contract employees) has increased to 15,172 as on 31 March 2009, which has contributed to the increase. In 2008-09, people cost as at percentage to sales reached 3.70% in 2008-09, compared to 3.59% in 2007-08.
- **Other Expenses** increased by 35.21% over the last year to reach Rs. 604.72 crore – mainly due to the increased volume of operations. As a percentage to sales, other operating expenditure stood at 20.31% (20.61% during 2007-08). Power and fuel costs recorded considerable increase (Rs. 211.89 crore vis-à-vis Rs. 121.55 crore).
- **Earning before Depreciation, Interest and Taxation** (EBIDTA) for the year was at Rs. 822.61 crore – a 39.10% increase over the previous year (Rs. 591.38 crore). EBIDTA margin as percentage to sales also increased from 27.25% to 27.63%.

- **Depreciation** for the year increased by 44.17% – from Rs. 161.96 crore in 2007-08 to Rs. 233.50 crore in the year under review. This represents 7.84% of sales (compared to 7.46% of sales in 2007-08). The increase has been mainly due to the increase in fixed assets brought about by the commissioning of new plants as part of the Company's expansion programme, as witnessed by the Gross Block having increased to Rs. 4,534.44 crore as on 31 March 2009, compared to Rs. 3,371.73 crore as on 31 March 2008.
- **Interest and Finance Cost** was at Rs. 304.12 crore – an increase of 130.69% over the last year's cost of Rs. 131.83 crore. Interest cost as percentage to sales has risen from 6.07% in 2007-08 to 10.22% in 2008-09. Since a number of plants were commissioned during the year, the interest costs on these assets have now been charged to the Profit & Loss Account.
- **Profit before Taxes** (PBT) was Rs. 284.99 crore, compared to Rs. 297.59 crore in 2007-08. The marginal decrease is on account of a fall in other income (from Rs. 67.94 crore in 2007-08 to Rs. 20.81 crore in 2008-09). PBT as a percentage to sales decreased from 13.71% in 2007-08 to 9.57% in 2008-09, on account of the fall in other income, coupled with higher interest and depreciation costs.
- **Profit after Taxes** (PAT) for the year stood at Rs. 188.37 crore (2007-08: Rs. 198.66 crore).

Table 3 lists the key ratios for Alok as a stand alone entity as on 31 March 2009.

Table 3 : Key Ratios: Stand-alone – Alok Industries Ltd.

PARTICULARS	As on	
	31 March 2009	31 March 2008
Profitability Ratios		
EBIDTA / Net Sales (%)	27.63%	25.23%
PBT / Net Sales (%)	9.57%	11.69%
PAT / Net Sales (%)	6.33%	7.73%
Return on Capital Employed (%)	8.20%	6.96%
Return on Net Worth (%)	9.13%	10.22%
Balance Sheet Ratios		
Total Debt / Equity	3.03	2.49
Long Term Debt / Equity	2.31	1.36
Current Ratio	1.36	1.44
Coverage Ratios		
EBIDTA / Interest	2.70	4.15
Net Fixed Assets / Secured Loans	1.40	1.75
Debtors Turnover – Days	108	102
Inventories Turnover – Days	116	116

Notes:

[1] *Debt calculated net of cash and bank balances*
[2] *Equity includes Deferred Taxes*
[3] *Ratios for the previous year have been recomputed based on re-grouped figures*

- **EBIDTA margin** increased from 25.23% to 27.63%, mainly due to reduction in raw material cost, which is, in turn, due to benefits of integration and economies of scale. The increase took place in spite of decrease in other income (from Rs. 67.94 crore in 2007-08 to Rs. 20.81 crore in 2008-09).
- **PBT margin** reduced from 11.69% to 9.57%. This has been mainly on account of increase in depreciation and interest cost. Consequently, **PAT** margin has also reduced from7.73% to 6.33%.
- **Return on Capital Employed (ROCE)** has increased in 2008-09 from 6.96% to 8.20% - in spite of the Capital Employed having increased from Rs. 5,546.63 crore as on 31 March 2008 to Rs. 7,183.56 crore as on 31 March 2009.

- **Return on Net Worth (RONW)** has reduced to 9.13% as on 31 March 2009, compared to 10.22% in 2007-08. The Tangible Net Worth (TNW) – including deferred tax Liability – of the Company has increased by 25.65% – from Rs. 1,641.82 crore as on 31 March 2008 to Rs. 2,063.03 crore as on 31 March 2009.
- **Debt Equity (D/E) Ratio** of the Company (net of cash and bank balances) has marginally changed – from 2.49 to 3.03 – mainly on account of increased borrowings to fund the ongoing expansion plans.
- **Long Term Debt Equity Ratio** is at 2.31. The Company has made a Rights Issue, which closed on 22 April 2009; the issue has been oversubscribed. With the infusion of additional capital, the D/E ratios are expected to improve during FY 2009-10.
- **Current Ratio** at 1.36 has reduced marginally from last year's value of 1.44.
- **EBIDTA to Interest Ratio** (the interest coverage ratio) at 2.70 indicates adequate capability to service interest obligations.
- **Net Fixed Assets to Secured Loans** is at 1.40 as on 31 March 2009 (1.75 as on 31 March 2008) and represents adequate cover.
- **Debtors - Turnover Ratio** has marginally increased from 102 days to 108 days.
- **Inventory-Turnover Ratio** stands at 116 days (116 days as on 31 March 2008).

Financial Condition and Liquidity

During 2008-09, Alok generated Rs. 173.94 crore from its operating activities. Investment activities incurred a net outflow of Rs. 2,031.35 crore, mainly on account of fixed assets acquisitions. Financial activities showed a surplus of Rs. 591.53 crore on account of increases in share application money and borrowings. Year-end balance of cash and cash equivalents stood at Rs. 277.57 crore, compared to Rs. 1,543.45 crore as on 31 March 2008. Table 4 gives the details.

Table 4: Summarised Cash Flow: Alok Industries Ltd.

(Rs. Crore)

PARTICULARS	As on	
	31 March 2009	31 March 2008
Net Cash Provided / (Used) By :		
Operating Activities	173.94	251.07
Investing Activities	(2,031.35)	(1,661.53)
Financial Activities	591.53	2,397.26
Net Cash Surplus	**(1,265.88)**	**986.80**
Cash & Cash Equivalents at the:		
Beginning of the Year	**1,543.45**	**556.65**
End of the Year	**277.57**	**1,543.45**
Add: Margin Money Deposits	67.38	130.29
Cash & Bank Balances at the End of the Year	**344.95**	**1,673.74**

Rights Issue of the Company

During the year, the Company came out with a Rights Issue of 408,723,061 shares of face value of Rs. 10.00, each with a premium of Re. 1.00, which were offered in the ratio of 83 shares for every 40 shares held, aggregating to Rs. 449.59 crore. The Issue, which opened on 31 March 2009 and closed on 22 April 2009, was oversubscribed 1.15 times. The allotment of shares and sending out of refund orders were completed by 5 May 2009. The final call is being made shortly, in which the balance Rs 77 crore would be received by the Company. As per the Objects of the Issue, the proceeds will be utilised for long-term working capital requirements and general corporate purposes. With the balance amount coming in, the Net Worth of the Company is expected to increase further, which in turn will improve the Debt Equity Ratio.

Investments

As on 31 March 2009, the Company had investments of Rs. 478.58 crore, compared to Rs. 618.96 crore as on 31 March 2008 (Table 5).

Table 5: Summarised Statement of Investments by Alok Industries Ltd.

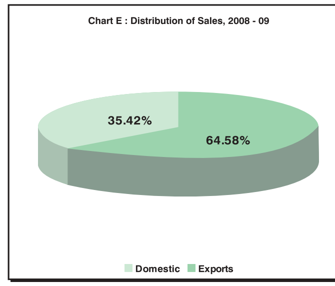
(Rs. Crore)

PARTICULARS	Equity Shares	Preference Shares	Shares Application	As on 31 March 2009	As on 31 March 2008	% Holding
A. By Alok into Subsidiaries						
Alok Industries International Ltd.	0.23	367.90		368.13	344.29	100%
Alok Infrastructure Ltd.	0.05	-	-	0.05	191.65	100%
Alok Land Holdings Pvt. Ltd.	0.50	-	-	0.50	8.17	100%
Alok Inc.	0.04	-	-	0.04	0.04	100%
Amigo Sportswear Pvt Ltd.	-	-	-	0.00	0.05	100%
Alok Retail (India) Ltd.	0.05	-	-	0.05	0.05	100%
Alok Apparels Private Limited	1.00	-	9.00	10.00	10.00	100%
Sub – Total (A)	**1.87**	**367.90**	**9.00**	**378.77**	**554.25**	
B. By Alok into Associates						
Aurangabad Textiles & Apparel Park Ltd.	15.50	-	-	15.50	6.50	49%
New City Of Bombay Mfg. Mills Ltd.	71.50	-	-	71.50	30.25	49%
Grabal Alok Impex Ltd.	3.99	-	-	3.99	3.99	8.70%
Sub – Total (B)	**90.99**	**-**	**-**	**90.99**	**40.74**	
C. By Alok for Other Investment Purposes						
In Equity Shares				0.58	3.58	
In Bonds, Debentures, etc.				-	17.17	
In Mutual Funds				8.24	3.22	
Sub – Total (C)				**8.82**	**23.97**	
Total				**478.58**	**618.96**	

Operations: Textiles

Overview

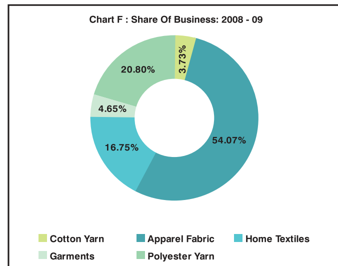
Chart E : Distribution of Sales, 2008 - 09



Alok's divisions — Cotton Yarn, Apparel Fabric, Home Textiles, Garments and Polyester Yarn – together generated Rs. 2,976.93 crore of net sales during the year, of which 64.6% was domestic sales and the balance 35.4% was exported (Chart E).

During the year, the Apparel Fabric division had the maximum share of business (54.06% of total sales) – improving its share from its 2007-08 share of 41.22%. The Polyester Yarn Division was next at 20.80%, which is marginally lower than its previous year's share of 22.71%. Home Textiles had a share of 16.75% in 2008-09 (17.92% in 2007-08); the Garments division had a stable share (4.66% in 2008-09; 4.60% in 2007-08). The Cotton Yarn division reflected a drop in its share of business from 13.55% to 3.73% due to the lack of profitable opportunities for cotton trading and exports during the year. Chart F plots the share of business of each division during 2008-09.

Chart F : Share Of Business: 2008 - 09



Exports

During 2008-09, Alok had export sales of Rs. 1,054.50 crore – a marginal increase above its 2007-08 exports figure of Rs. 1,036.88 crore. In spite of a decrease in cotton exports, which reduced from Rs. 280.94 crore in 2007-08 to Rs. 49.61 crore in 2008-09. In 2008-09, Alok's product exports (i.e. exports excluding cotton exports) were at Rs. 1,004.89 crore, compared to a corresponding figure of Rs. 755.94 crore in 2007-08 – a year-on-year increase of 32.93%.

Alok exports its products to over 70 countries. Although the US forms the most significant market (42.98% of total exports), Asia and Asia Pacific (23.97%), Europe (18.39%) and South America (10.66%) are the other major geographies where the Company has export presence. Chart G plots Alok's export performance by regions for the year 2008-09.

Chart G : Export by Geographies, 2008 - 09

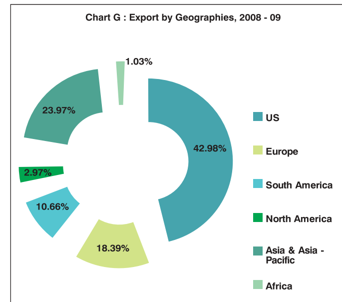


Table 6 : Overall Divisional Performance for the year ended 31st March 2009

(Rs. Crore)

PARTICULARS	For the Year ended 31 March 2009				For the Year ended 31 March 2008				% Change
	Local	Export	Total	% to Total Sales	Local	Export	Total	% to Total Sales	
Cotton Yarn	61.49	49.61	111.10	3.73%	13.11	280.94	294.05	13.55%	(62.22%)
Apparel Fabrics									
Woven	1,263.34	186.26	1,449.60	48.69%	646.08	108.59	754.67	34.77%	92.08%
Knit	76.10	71.88	147.98	4.97%	62.46	63.24	125.70	5.79%	17.72%
Job Work	11.98	0.00	11.98	0.40%	14.42	0.00	14.42	0.66%	(16.92%)
Total Apparel Fabrics	**1,351.42**	**258.14**	**1,609.56**	**54.06%**	**722.96**	**171.83**	**894.79**	**41.22%**	**79.88%**
Home Textiles	3.50	495.04	498.54	16.75%	0.00	389.02	389.02	17.92%	28.15%
Garments	12.36	126.22	138.58	4.66%	10.10	89.46	99.56	4.60%	39.19%
Polyester Yarn	493.66	125.49	619.15	20.80%	387.36	105.63	492.99	22.71%	25.59%
Total	**1,922.43**	**1,054.50**	**2,976.93**	**100.00%**	**1,133.53**	**1,036.88**	**2,170.41**	**100.00%**	**37.16%**

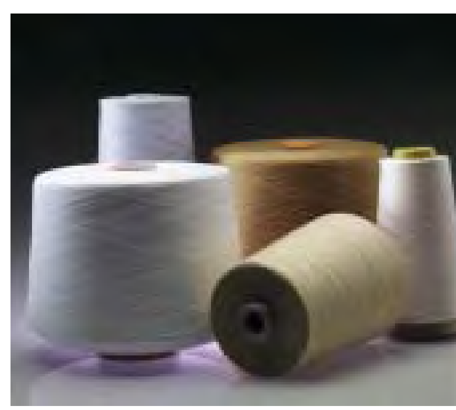
Note:
The Retail Operations of Alok Industries Ltd. has been transferred to Alok Retail (India) Ltd. w.e.f. 1 December 2008. All sales of Retail Operations till that date have been allocated to the respective business segments: Apparel Fabrics, Home Textiles and Garments

Cotton Yarn

Table 7: Sales: Cotton Yarn

(Rs. Crore)

PARTICULARS	For the Year ended 31 March 2009				For the Year ended 31 March 2008				% Change
	Domestic	Export	Total	% to Total Sales	Domestic	Export	Total	% to Total Sales	
Cotton Yarn	61.49	49.61	111.10	3.73%	13.11	280.94	294.05	13.55%	(62.22%)



As on 31 March 2009, this division had 936 open end rotors and 252,096 ring frame spindles in operation, with a capacity of 2,000 tonnes per annum (TPA) and 31,300 TPA, respectively. Of these, Alok has 50,000 spindles that are dedicated for the production of polyester blended cotton yarn. During FY 2009-10, Alok expects to add another 48,000 spindles and 2,856 open-end rotors. Besides this, the Company has set up a gassing unit and TFO unit for producing high-end cotton yarn. This division will mainly cater to Alok's in-house requirements.

Alok offers a wide range of products: compact yarn, blended yarn, organic cotton and fair trade cotton from coarse to fine counts. Additionally it is also planning to produce speciality yarns, such as flame retardant yarns, and anti-microbe yarns.

During the year, the division recorded sales of Rs. 111.10 crore, compared to Rs. 294.05 crore in 2007-08. Although domestic sales reflected an increase in 2008-09 (Rs. 61.49 crore vs. Rs. 13.11 crore in 2007-08), a lack of profitable export opportunities for cotton resulted in overall sales for the division reducing by approximately 62% over the previous year.

Cotton exports in 2008-09 were negatively impacted due to the fact that Indian domestic prices were higher than prices in the international markets, mainly due to the high Minimum Support Price (MSP) for cotton. Current estimates suggest that the acreage under sowing is expected to increase in the current year[1]; this, in turn, should result in surplus crop (estimated at 5,385 MT vs. 4,930 MT during the previous year)[11] and, therefore, export opportunities.

11 Source: International Cotton Advisory Committee

Apparel Fabrics

Table 8: Sales: Apparel Fabrics

(Rs. Crore)

PARTICULARS	For the Year ended 31 March 2009				For the Year ended 31 March 2008				% Change
	Domestic	Export	Total	% to Total Sales	Domestic	Export	Total	% to Total Sales	
Woven	1,263.34	186.26	1,449.60	48.69%	646.08	108.59	754.67	34.77%	92.08%
Knit	76.10	71.88	147.98	4.97%	62.46	63.24	125.70	5.79%	17.72%
Job Work	11.98	0.00	11.98	0.40%	14.42	0.00	14.42	0.66%	(16.92%)
Total Apparel Fabrics	1,351.42	258.14	1,609.56	54.06%	722.96	171.83	894.79	41.22%	79.88%

Wovens

During 2008-09, Alok increased apparel width weaving capacity – from 639 apparel width looms (63.92 million metres per annum) to 758 looms (70.00 million metres per annum). Processing capacity was also enhanced from 82.50 million metres per annum to 105.00 million metres per annum. The Company is, during 2009-10, in the process of further increasing weaving capacity through the addition of 260 looms (capacity 23.00 million metres), bringing total capacity to 1,018 looms (93.00 million metres).

Alok produces a wide variety of woven fabrics : blouse weights in poplins, stretch poplins, cambrics, voiles, butta dobby, lawn and yarn dyed, to name a few. Alok's bottom-weight range includes twills, canvases, matte, dobbies, stretch dobbies, yarn dyed and satins.

Wovens sales can be segregated into five major sections: (a) sales of workwear (which encompasses domestic institutions, including defence, as well to international customers); (b) sales of workwear and fashion-wear for international buyers; (c) fabric sales to converters who, in turn, convert the fabric into garments for international brands; (d) sales of woven apparel fabric to domestic retail chains, brands and wholesalers; and (e) sales of yarn-dyed fabric to high end customers.

Initiatives in workwear undertaken over the past few years (in the manufacture and sales of speciality fabrics, such as fire retardant fabrics, water repellent and soil release fabrics, high visibility fabrics, etc.) have started showing encouraging results. Sales of these products are mainly targeted at institutions like automotive companies, hotels, hospitals and the infrastructure sector, where they are used for uniforms, aprons and coveralls. Moreover, workwear sales have also targeted the hospitality industry. These new avenues offer exciting growth opportunities. During the year, the Company has started also producing 'heavy weight' industrial fabric. These are used for a number of applications such as tents and high end tarpaulins, which are also used by defence forces.

Alok has also established itself as a leading manufacturer of yarn dyed shirting and dyed trouser fabrics. The Company's production and sale of organic cotton products for the US and European markets have been promising. Alok has also extended the range of such products, which have high acceptance in the overseas markets.

2008-09 witnessed a marked improvement in the sales of woven apparel fabrics, which grew 92.08% from Rs. 754.67 crore to Rs. 1,449.60 crore. In spite of the slowdown in international markets, export sales of wovens registered 71.53% increase over 2007-08 to reach Rs. 186.26 crore (Rs. 108.59 crore in 2007-08). Domestic sales also kept pace, nearly doubling previous year's levels to reach Rs. 1,263.34 crore – a growth of 95.53% from Rs. 646.08 crore in 2007-08. As a consequence, woven apparel fabric has increased its share of business from 34.77% in 2007-08 to 48.69% in 2008-09.

Knitting

Alok has the capacity to produce 18,200 TPA each of knit fabric and processing. The Company plans to add a further 49,000 TPA of capacity, thus taking the total capacity to 67,200 TPA. Processing capacity is also being increased to 67,200 TPA.

The Company has increased its offerings in this segment by manufacturing fitted bed-sheets and pillow covers made from organic cotton; these are being sold to high-end retailers in export markets. Other new products manufactured during the year included fabrics with 'burn out' prints, water repellent and anti-microbial fabrics.

Sales for the year were at Rs. 147.98 crore – 17.72% above the previous year's figures of Rs. 125.70 crore. Domestic sales grew by 21.84% over the previous year, while exports grew 13.66%.

The segment offers significant growth opportunities; and is expected to be a growth driver for the Company in the near future.

Mileta

Mileta a.s. is a subsidiary of Alok Industries Ltd., based in the Czech Republic and is one of Europe's quality textile players. During the year, Alok and its associates increased their stake in Mileta from 60% to 79.80%. Mileta manufactures premium handkerchiefs, table linen, bed linen and shirting fabrics for global markets – especially in Asia, Africa and the Americas.

During the year, the plant has been modernised with 40 new Picanol airjet looms having been installed– which would further improve the quality of Mileta's output.

Mileta's brands – Mileta, Erba, Cottonova, Lord Nelson and Wall Street – have good recall. Alok has launched some of these brands – Erba (for handkerchiefs) and Lord Nelson (for premium shirting) – in the Indian market through Alok's distribution network; the response has been encouraging. Cottonova bed linen is now being exported from Alok's plants.

Mileta had total revenues of Czech Kronor 478.23 million (Rs. 117.78 crore) for the year ended 31 March 2009, compared to Czech Kronor 610.99 million (Rs. 129.06 crore) in 2007-08.

Home Textiles

Table 9 : Sales : Home Textiles

(Rs. Crore)

PARTICULARS	For the Year ended 31 March 2009				For the Year ended 31 March 2008				Growth
	Domestic	Export	Total	% to Total Sales	Domestic	Export	Total	% to Total Sales	
Home Textiles	3.50	495.04	498.54	16.75%	0.00	389.02	389.02	17.92%	28.15%

As on 31 March 2009, Alok had 626 wider-width looms, with an annual capacity of 47.05 million metres; processing capacity stood at 82.50 million metres per annum. At the end of the Phase IV expansion, which is expected to be completed by the end of 2009-10, Alok will have 855 wider-width looms, with a capacity of 68.00 million metres per annum, along with the existing processing capacity of 82.50 million metres per annum. Additionally, the terry towel project, with a capacity of 6,700 TPA, has already been commissioned, which further adds to the Company's product range.

Alok is one of India's largest makers and exporters of home textiles. The division, which is a big contributor to the Company's exports, specialises in wide variety of bed linen like sheets, duvets, comforters and quilts.

Despite a slowdown in the US and European markets, Alok has grown its home textiles sales by 28.15% in 2008-09 to reach Rs. 498.04 crore. This has been achieved by adding new customers and deepening existing customer relationships across the globe. Textile sourcing is trending towards consolidation, where buyers prefer to source from suppliers who can supply large volumes, with consistent quality and within tight timelines. Alok, with its global capacities, world-class quality and wide range of product offerings, has leveraged these advantages; consequently, the order book, in spite of a relatively stagnant global market, remains robust.

The USA is a major export destination for Alok's home textile offerings. Therefore, in addition to its US office, the Company has also set up warehousing facilities and appointed a local sales force. These initiatives have helped Alok to rapidly replenish stock as well as target non-traditional customers. US retailers who had earlier not internationally sourced fabrics are now looking at Alok, thus expanding the Company's reach in its most significant export market. And, Alok has, through these and other customer-centric measures, evolved into being a service provider to its clients in addition to being a supplier of high quality bed linen and terry towels.

Garments

Table 10 : Sales : Garments

(Rs. Crore)

PARTICULARS	For the Year ended 31 March 2009				For the Year ended 31 March 2008				Growth
	Domestic	Export	Total	% to Total Sales	Domestic	Export	Total	% to Total Sales	
Garments	12.36	126.22	138.58	4.66%	10.10	89.46	99.56	4.60%	39.19%

With 2,100 machines as on 31 March 2009, Alok has the capacity to make 15 million pieces per annum. The Company plans to enhance capacity for 7 million more pieces per annum (through the addition of another 1,000 machines) to take total to 22 million pieces.

During the year, the Garments Division recorded sales, including trading sales, of Rs. 138.58 crore – 39.19% above the numbers reported in 2007-08. Exports continued to be the major driver of topline during 2008-09. The division added capacities, rolled out new products and strengthened its presence both in the wovens and the knits segment.

Alok proposes to capitalise on the significant growth potential that workwear garments offer. With strong manufacturing capabilities in technical fabrics, the Company wishes to cater to technical industrial workwear segment in India and abroad, where initial responses from potential end-users have been encouraging.

Alok Apparels Pvt. Ltd.

Alok's 100% subsidiary, Alok Apparels Pvt. Ltd., manufactures woven and knit fashion garments at Silvassa. In 2008-09, the unit achieved sales of Rs. 7.28 crore, compared to its previous year's sales of Rs. 0.76 crore. As new capacities come into play, it is expected that the topline growth will be accelerated.

Joint Venture with National Textile Corporation

As reported in last year's Management Discussion & Analysis, Alok has entered into a Joint Venture Agreement with the National Textile Corporation (NTC) for the development and revival of New City Mills at Mumbai and Aurangabad Textile Mills at Aurangabad. The first phase of revival at New City Mills envisages the setting up of 100 garmenting machines, targeted to produce fashion-wear. The Joint Venture proposes to install and operate a total of 250 garmenting machines in subsequent phases.

At Aurangabad Textile Mills, local people are being trained to produce work-wear garments in the training centre that has been set up with 35 machines. 100 machines are being installed and a total of 250 machines for the manufacture of workwear are proposed to be finally established.

Polyester Yarn

Table 11 : Sales : Polyester Yarn

(Rs. Crore)

PARTICULARS	For the Year ended 31 March 2009				For the Year ended 31 March 2008				Growth
	Domestic	Export	Total	% to Total Sales	Domestic	Export	Total	% to Total Sales	
Polyester Yarn	493.66	125.49	619.15	20.80%	387.36	105.63	492.99	22.71%	25.59%

Alok has increased texturising capacities and backward integrated into manufacturing Partially Oriented Yarn (POY) to expand its domestic and export markets of polyester yarn and also to leverage cost benefits. As on 31 March 2009, Alok had texturing capacity of 77,000 TPA and POY manufacturing capacity of 182,500 TPA: from the previous year's capacities of 68,700 TPA and 54,000 TPA, respectively. POY capacity has increased due to the commissioning of the Continuous Polymerisation (CP) Plant at Saily (Silvassa). The Company expects that by the end of the current financial year, it would be

able to produce 182,500 TPA of POY and 114,000 TPA of Draw Texturised Yarn (DTY). With the new auto-doffing machines being commissioned, Alok expects that the higher quality of output will generate better per-unit realisations.

The POY being produced in Alok is partially utilised for captive consumption; the balance material is sold to outside markets. To add even greater value, Alok plans to install a plant for about 72,000 TPA of Fully Drawn Yarn (FDY).

The division has also been looking at growing its export footprint, especially in Europe, the Middle East and Latin America.

During the year ended 31 March 2009, polyester yarn revenues were at Rs. 619.15 crore – a 25.59% increase over its previous year's revenues of Rs. 492.99 crore. Overseas sales increased by 18.80% over the previous year; domestic sales during the same period grew by 18.80% in value terms.

Operations: Retail

Domestic Retail

H&A

The operations of 'H&A' have been transferred to Alok Retail (India) Ltd. (ARIL) with effect from 1 December 2008. For the period ending 31 March 2009, ARIL generated revenues of Rs. 4.77 crore. Prior to 1 December 2008, the retail sales of Alok Industries Ltd. amounted to Rs. 6.74 crore, which have been allocated to the appropriate divisions: Apparel Fabrics, Home Textiles and Garments. Thus, on a cumulative basis, the total retail sales have been Rs. 11.51 crore – compared to Rs. 6.65 crore in 2007-08.

As on date, ARIL has opened 90 shops across India. ARIL plans to open a total of 300 shops by the end of 2009-10.

The shops offer a wide range of home textile products (bed sheets, comforters, towels, napkins, etc), apparels (children's wear, ladies wear, formals and casual) and accessories (handkerchiefs, ties, etc.) to the quality conscious middle class Indian consumer at attractive price points. Repeat customers indicate the popularity of the store and bear testimony to the quality of products that are on offer.

Overseas Retail

Store Twenty One: UK

Retail operations in the UK are managed through Grabal Alok UK Ltd. (GAUKL). The UK retail operations stretch across England, Scotland and Wales – with 216 stores operating as on date. Originally called 'qs' stores, they are being gradually given a new brand identity – 'Store Twenty One'.

For the year ended 31 March 2009, GAUKL reported sales of £ 91.30 million (2007-08: £ 94.71 million).

GAUKL stores offer quality products at 'value conscious' price points. In spite of a slowdown of retail sales in the UK, this segment is showing some resistance to de-growth; consumers are trading downwards and therefore buying 'value for money' products instead of paying a premium for bigger and pricier brands.

To capitalise on opportunities and improve performance, GAUKL has and is undertaking the following measures:

- Increasing the product range being offered to the customers.
- Cost reduction initiatives including rationalisation of store and head office payroll, utilities and other store costs.
- Converting under-utilised storage space into sales floor areas, thereby increasing space by as much as 20% in some cases.
- Supply chain initiatives to improve reaction time to customer preferences, while allowing working with less stock in storage.
- Rationalising freight costs.

These initiatives have already started showing benefits in terms of improved sales performance and greater realisations per square foot. The company will continue these and similar initiatives during the current year.

The current state of the UK real estate market offers opportunities to acquire or lease low cost properties: either to open new shops or to switch store locations. GAUKL is actively following this path, which should result in (a) cost rationalisation (where high rent shops would be swapped for lower rent shops in similar locations or rents would be re-negotiated); and (b) broadening store presence into 'high sales potential' areas at advantageous rentals.

GAUKL is expected to achieve a substantial improvement in its bottomline in 2009-10. This can be seen from the current financial year's first quarter results. Gross sales have grown by 4.9% over the corresponding quarter of 2008-09; the company has also reported a cash profit of £ 0.05 million during the first quarter of the current financial year (compared to a loss of £ 4.2 million during the same period in FY 2008-09).

Operations & Investments: Realty

Alok has two wholly owned subsidiaries for its realty foray — Alok Infrastructure Ltd. and Alok Land Holdings Pvt. Ltd. As on date, the companies are involved in three major realty projects.

Tower 'B', Peninsula Business Park, Lower Parel

Alok Infrastructure Ltd., through its wholly owned subsidiary, Alok Realtors Pvt. Ltd., has invested in this project. Located at the prime business district of Lower Parel in Mumbai, a few minutes way from the local stations, the structure will have an area of 641,589 square feet, with a floor plate of approximately 32,000 square feet and car parking facilities for 600 cars. The complex will house an exclusively designed lounge for CEOs, a well-equipped gymnasium, food courts, coffee shops and facilities for indoor sports. The total project cost is estimated at Rs. 1,275 crore and is expected to be completed by December 2010 (Table 12).

Table 12 : Peninsula Business Park, Lower Parel

(Rs. Crore)

PARTICULARS	Debt	Equity From:		Total
		Group Co.	JV Partner	
Means of Finance	750	275	250	1,275
Spend till Date	-	190	-	190
Project Progress as on 1 July 2009	Tower 'B': • All podium levels are completed • Second floor under construction			

Ashford Apex - Premium Residential Complex, Nahur

Alok Infrastructure Ltd., and its joint venture partner, Ashford Infotech Pvt. Ltd., are in the process of developing a premium residential complex in the Mumbai suburb of Nahur. The project would be over a seven-acre plot and proposes to have an area of 1.02 million square feet, with two 42-store and two 37-storey residential towers offering two-bedroom and three-bedroom apartments. The project cost is estimated at Rs. 450 crore and is expected to be completed by December 2012. Table 13 details the funding pattern and project progress.

Table 13: Ashford Apex : Premium Residential Complex Nahur

(Rs. Crore)

PARTICULARS	Debt	Equity From:		Total
		Group Co.	JV Partner	
Means of Finance	250	100	100	450
Spend till Date	-	70	70	140
Project Progress as on 1 July 2009	Statutory approvals awaited			

Ashford Centre

Ashford Centre will be a ten storey commercial building located in Lower Parel and overlooking Peninsula Corporate Park. Alok Infrastructure Ltd. has acquired 64,800 square feet (eight floors) of the building with parking facilities for 40 cars. The project is estimated to cost Rs. 124.50 crore and be ready by December 2009. Table 14 gives the details.

Table 14: Ashford Centre

(Rs. Crore)

PARTICULARS	Debt	Equity From:		Total
		Group Co.	JV Partner	
Means of Finance	75	49.50	-	124.50
Spend till Date	43	32	0	75
Project Progress as on 1 July 2009	Ninth floor under construction			

Capacity Expansion in Textiles

Tables 15 and 16 detail the status of expansion projects as on 31 March 2009.

Table 15: Expansion Projects: Status : by Machines / Equipment

PARTICULARS	UOM	As on 1 April 2008	Installed during the year	As on 31 March 2009	Balance	Post Expansion
Spinning						
Open End	Rotors	936		936	2,856	3,792
Ring Frame	Spindles	150,912	101,184	252,096	48,000	300,096
Home Textiles: Wider Width						
Weaving	Looms	598	28	626	229	855
Processing	Cont. Lines	2	1	3	-	3
Made Ups	Machines	907	593	1,500	-	1,500
Terry Towels	Looms	-	48	48	-	48
Terry Towels Processing	Lot	-	-	Lot	-	Lot
Apparel Fabrics						
Weaving	Looms	639	119	758	260	1,018
Processing	Cont. Lines	2	1	3	-	3
	Batch Lines	1	-	1	-	1
Knitting	Machines	Lot	-	Lot	Lot	Lot
Knit Processing	Lot	Lot	-	Lot	Lot	Lot
Yarn Dyeing	Lot	Lot	-	Lot	-	Lot
Garments	Machines	1,636	464	2,100	1,000	3,100
Polyester Yarn						
Texturising	Machines	63	7	70	22	92
POY	Lines	Lot	Lot	Lot	Lot	Lot

Table 16: Expansion Projects: Status : by Capacity p.a.

PARTICULARS	UOM	As on 1 April 2008	Installed during the year	As on 31 March 2009	Balance	Post Expansion
Spinning						
Open End	Tons	2,000	-	2,000	11,520	13,520
Ring Frame	Tons	18,500	12,800	31,300	13,680	44,980
Home Textiles: Wider Width						
Weaving	Mln. Mtrs	45.20	1.85	47.05	20.95	68.00
Processing	Mln. Mtrs	60.00	22.50	82.50	-	82.50
Made Ups	Mln. Pcs.	8.52	5.23	13.75	-	13.75
Terry Towels Processing	Tons	-	6,700	6,700	-	6,700
Apparel Fabrics						
Weaving	Mln. Mtrs	63.92	6.08	70.00	23.00	93.00
Processing	Mln. Mtrs	82.50	22.50	105.00	-	105.00
Knitting	Tons	18,200	-	18,200	49,000	67,200
Knit Processing	Tons	18,200	-	18,200	49,000	67,200
Yarn Dyeing	Tons	3,000	-	3,000	-	3,000
Garments	Mln. Pcs.	11.86	3.14	15.00	7.00	22.00
Polyester Yarn						
Texturising	Tons	68,700	8,300	77,000	37,000	114,000
POY	Tons	54,000	128,500	182,500	-	182,500

Human Resources

Alok believes that a trained and motivated people pool is a key business enabler. To ensure that the Company's employee force is appropriately recruited, adequately trained and motivated to perform beyond the normal, the Human Resources (HR) function undertakes a number of initiatives, details of which are given in a separate section (see: Section on Sustainability: Page 38)

Alok's total headcount (including contract employees) as on 31 March 2009 stood at 15,172. On the labour front, the Company had a peaceful year, with no adverse incidents or fatal accidents.

Corporate Social Responsibility

Philosophy

Alok's Corporate Social Responsibility (CSR) philosophy is focused on growing the business while ensuring that the concerns of the environment in which it operates are adequately and sustainably addressed. The initiatives undertaken in the year have been detailed in a separate section (see section on Sustainability: Page 38)

Information Technology

Enterprise Resource Planning (ERP)

Alok has now stabilised the SAP ERP platform across six modules that it had initially implemented – Sales & Distribution, Production & Planning, Materials Management, Quality Management, Plant Maintenance and Finance & Costing. All plants, including the recently established Terry Towel and Continuous Polymerisation plants, have been linked up to the SAP platform. Alok has started upgrading its ERP platform to the higher SAP ECC 6 version.

Process mapping of the Human Capital Management (HCM) module has been completed and the module is now being configured by a team of external consultants. The Company expects to initiate 'parallel runs' during 2009-10. The Business Intelligence Warehouse (BIW) initiative would be taken up after the HCM implementation.

Communications and Connectivity

Alok has robust and cost-effective communications and connectivity facilities set up across all its operating locations. The communications backbone is through leased lines with backup and switchover facilities so that data transfer and communications are not interrupted at any time. All locations are connected through a Multi-Protocol Label Switching Virtual Private Network (MPLS VPN). Key locations are provided with redundant MPLS VPN connection of another service provider with auto-switching facility.

Video conferencing facilities ensure that operating units can keep in touch with the corporate office and each other, thus minimising travel time and enhancing speed of decision making. To ensure that data capture is not lost at all, there is a parallel switchover facility between the Company's main plants at Pawane, Vapi and Silvassa. And to ensure continuity of communications and connectivity in case of power failure, the Company has uninterrupted power to its servers for three hours, which would allow critical information to be secured and would prevent data losses.

Through stringent negotiations with key communications vendors and optimisation of the communications backbone, Alok is expected to generate substantial savings during 2009-10, while enhancing bandwidth availability.

Data Security

SAP data is stored on IBM system storage (RAID 10) with redundant hot-swappable components. This ensures high data availability, reliability, security and serviceability. Online backup is taken on another system storage through log application and gives additional level of data security upto the last saved transaction.

Daily and monthly backups on tape are stored in fire proof cabinet. One set of backup is kept at a geographically different location. All other data are backed up on tapes (7 days' cycle) and kept in fireproof cabinets with one copy at a different geographical location.

It is planned to enhance data security by installing an additional system storage facility at a secured data centre with online data replication. This will ensure data availability up to the last saved transaction at a different geographical location.

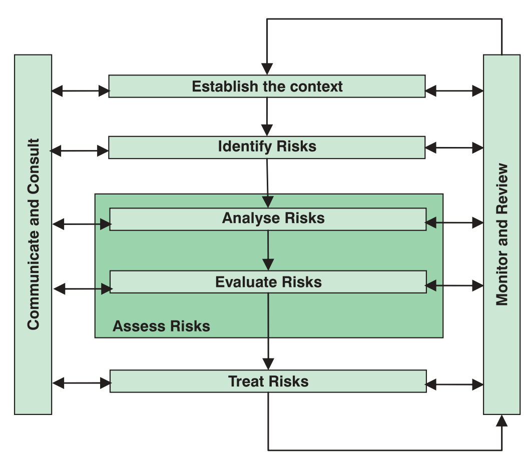
Firewall protection is provided at all internet gateways. All systems are protected with best anti-virus software.

Risk Management

Risk Identification & Monitoring

Alok is an integrated textile manufacturer with business interests around the world. The Company strives to adopt a 'de-risking' strategy in its operations while making growth investments. This involves setting up and monitoring risks on a regular basis – adopting risk management initiatives that not only address process level risks, but also to synergise with Alok's Vision & Mission Objectives, business model and business plans. Chart H shows the risk management structure of the Company.

Chart H: Risk Management Overview

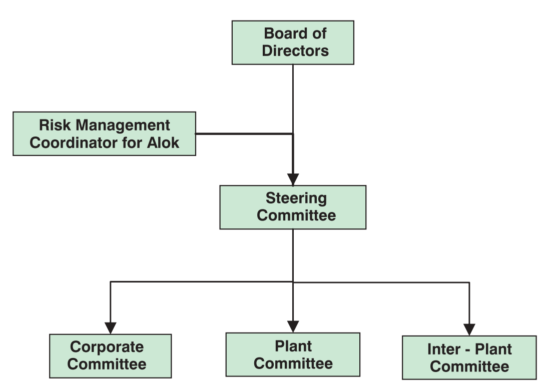


Alok implemented its Risk Management (RM) Framework in 2006, with international consultants Deloitte Touche Tohmatsu India Pvt. Ltd., who continues to partner with Alok with the aim to spot future business roadblocks and opportunities in advance.

Under the risk management framework, the following has been developed and are being updated regularly:

- The Risk Management Charter clearly lays down the governance structure, process of identification and assessment of risks, roles and responsibilities (from strategic to operational) of various people. The role definitions are aimed at ensuring formulation of appropriate risk management practices, their implementation, monitoring and escalation to appropriate committees and the Board.
- Risk Registers enlist risks faced by the organisation and its various units with assessment and prioritisation.
- Risk profiles of key risks indicating nature of risk, ownership, mitigation action plans, status of completion, impact of action plans on the risk, etc.

Chart I: Risk Management Structure at Alok



Alok uses 'self assessment' techniques to identify and assess risks.

The Board of Directors reviews the status of risks each quarter. Various committees have been formed to actively monitor the progress of risk mitigation and facilitate communication to the Board, keeping in mind adequate representation of all manufacturing and corporate processes. The committees are represented by respective heads of various functions and meet periodically to discuss mitigation plans and assess new risks that may have been identified. Chart I gives the graphical representation of the risk management structure at Alok.

The Company views the following as potential risks and have adopted mitigation measures for them.

Risks & Risk Mitigation

Materials and Input Costs

Cotton

Given that a major portion of Alok's revenues are from cotton textiles, price fluctuations in cotton have consequential effects on Alok's profitability. During 2008-09, Government of India (GoI) steeply hiked the Minimum Support Price (MSP) of cotton. During the current year, however, it is expected that with acreage under cotton increasing and substantial buffer stocks (estimated at 60 lakh bales)[10], the overall cotton prices may reduce. Alok, however, mitigates the risk of fluctuating cotton prices through a number of measures. Contract farming and buying cotton in bulk and at the peak season when prices are low help in procuring cotton at advantageous rates. Vendor validation, quality testing and superior storage facilities lead to the preservation of cotton quality. And, state of the art spinning facilities ensure that the procured cotton is converted to yarn with the least wastage.

POY

Being a petrochemical derivative, Partially Oriented Yarn (POY), another major raw material input for Alok for its Polyester Yarn division, is subject to price fluctuations based on crude oil prices. The price of crude oil has been rising from a low of around US$ 37 per barrel in December 2008 to around US$ 60 per barrel by beginning July 2009; consequently, POY prices are expected to be on the upswing. The Company has commissioned its Continuous Polymerisation Plant of 182,500 TPA to manufacture POY, which largely mitigates the risk of price fluctuations and gives Alok both higher efficiencies and a competitive cost advantage. The Company's current POY manufacturing capacity is more than what it needs for internal consumption; the balance can and is being sold in both the domestic and the export markets.

Fuel

Power and fuel constitute a substantial part of the manufacturing costs for textiles and upward revisions of fuel or power prices negatively impact Alok's profitability. To minimise these risks, the Company is actively exploring possibilities of switching over to alternative fuels and alternative supplies for utilities items. The Company's dual-fuel captive power plant also helps in reducing fuel costs.

Alok is also actively contemplating appropriate commodity hedging strategies to minimise price risks for cotton, POY and fuel.

Business Environment

The US Economy

Sales to the US form a significant part of Alok's export turnover. Though the US economy is showing some signs of revival, there is a risk of lesser textile exports to the country. Alok is actively exploring opportunities in other export markets, notably Europe and Latin America, thereby broadening its geographical reach and mitigating the risk.

The Indian Economy

Consequent to the global economic meltdown, the GDP growth rate for the Indian economy came down from 9% to 6.7%, with consequential impact on consumer demand. Forecasts for the current fiscal project the growth rate at around 6.5% to 7%. Though slower than the previous years' high growth rates, India nevertheless offers growth opportunities for the textile sector. Wholesale Price Index (WPI) inflation has been declining (for the first time in thirty years); however, consumer prices remain firm and local demand is showing signs of recovery. It is expected that there will be demand for textile products, though the current budget, announced on 6 July 2009, has restored the excise duty on polyester products to its original rate of 8% (from the reduced rate of 4% announced during the stimulus package).

Quality, Cost and Delivery (QCD) Parameters

Global customers are consolidating their purchases in order to maximise supply chain and procurement efficiencies. While this offers Alok growth opportunities, it also means that the Company has to adhere to international quality standards and tight delivery timelines for large quantities. To avoid rejection, Alok has put into place a series of quality checks at multiple stages of the production process. A comprehensive monitoring mechanism at the production units ensures that the orders are executed on time. And given the scale and integration of its operations, Alok can offer global customers the most competitive prices for its quality products.

Gearing Risk

In order to capitalise on growth opportunities, Alok has expanded and integrated its operations across the textile chain. To do so, the Company has had to borrow funds, a major portion of which has been under the Technology Upgradation Funds Scheme (TUFS) at

12 Source: Financial Express: 13 June 2009
13 Source: Cotton Corporation of India

concessional rates of interest and long maturities. These borrowings have increased Alok's gearing ratio. However, with the expanded capacities now coming to fruition, Alok's sales and bottomline are also expected to increase in commensurate fashion. The Company has also recently made a Rights Issue for additional capital. Alok is confident the proceeds of the Rights Issue, along with its internal accruals, will be able to substantially reduce the gearing risk over the next few years.

Interest and Interest Rate Risk

The Company's interest obligations are based on floating rates. Thus, any upward movement in the interest rates have an adverse impact on Alok's profitability and cash flow. The Company, however, adopts a number of measures to mitigate these risks. Loans that are taken under TUFS are at concessional rates and long maturities. In addition, Alok adopts measures such as converting its working capital to export credit finance, borrowing under the FCNR (B) scheme, placement of rated instruments and appropriate hedging strategies to minimise interest and interest rate risk.

Currency Risk

Alok's exports are mainly US Dollar denominated. Also, some portion of Alok's debt is denominated in foreign currency. Therefore, fluctuations in the exchange rates impact both the topline and the interest costs of the Company. To mitigate this, Alok has an in-house Treasury Department that works under a framework of policies and guidelines to monitor foreign currency fluctuations and take corrective action where required.

Internal Controls and their Adequacy

Alok has a proper and adequate system of internal controls commensurate with its size and business operations at all plants, divisions and the corporate headquarters to ensure that its assets are safeguarded and protected against loss from unauthorised use or disposition and that transactions are reliably authorised, accurately recorded and reported quickly.

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

Future Outlook

Textiles

Global economies are showing signs of recovery and it is expected that a clear up-tick will be visible by the end of calendar 2009. In spite of a deceleration from 9% GDP growth to 6.7% GDP growth, India remains the second fastest growing economy in the world; and according to a report by Goldman Sachs, India is expected to become the world's third largest economy by 2035. The Index of Industrial Production (IIP) data released on 10 July 2009 reflects a growth of 2.7% for the first quarter of fiscal 2009-10; what is more encouraging is that the textiles sector's year-on-year growth has improved from 9.8% to 11.5% for the first two months of the current financial year.

The Indian textile industry has laid considerable emphasis on exports. At a macro level, the recession affecting the Western economies has shrunk overall demand for textile products. At a micro level, however, the pattern is different. Large international buyers are examining ways and means to reduce the procurement cost of their textiles: and this has resulted in them buying from a few large suppliers rather than many small ones. This 'consolidation of purchasing activities' means that Alok, with its global capacities, design capabilities, integrated product chain, best-in-class quality and competitive pricing is in an advantageous position to grow its markets. The Company has widened its export base from the US/Europe markets to Latin America, Africa and South-East Asia and expects that these countries will offer growth opportunities in the future. On the domestic front, the Company's distribution channels ensure that its products reach both retail outlets and large private labels.

New textile products, such as technical textiles and nano-textiles are growth areas being actively explored by the Company. Technical textiles are basically value-added textile materials used to enhance the life style of people, e.g. fire-retardant fabrics, anti-bacterial fabrics, high visibility fabrics, stain resistant fabrics, etc. that are used in, among others, industrial, medical, hospitality and defence applications. Demand for these products grows with the change in demography and lifestyle of emerging economies – they also offer ample export opportunities. According to experts,[11] the Indian technical textiles sector is expected to witness near double-digit growth in near future. Alok has actively entered into this arena and expects that, over the next few years, a substantial portion of its apparel wear sales will comprise of technical textiles. To do so, it has set up the required infrastructure and product development capabilities. The response has been encouraging and the Company expects that this enhancement in the product portfolio shall prove beneficial in terms of sales and profits. To further leverage growth opportunities, Alok is also in the process of setting up an R&D and Product Development Centre at Vapi, where exploratory work on new fibres and new textile products will take place.

Alok believes that the integration, scale and overall value addition that it offers will stand it in good stead even in the current macroeconomic conditions and that, over a period of time, the Company will yield enhanced stakeholder value.

Retail

According to the Global Retail Development Index (GRDI) developed by A T Kearney[12], a global consulting firm, India has been ranked the most attractive nation for retail investment among 30 emerging markets – the fourth time in five years that India has topped the survey. This is an indicator of the depth, resilience and potential of the Indian retail market, of which garments and apparel consists of a substantial portion. Although the growth potential of the retail market in India is high, the Indian retail consumer is conscious of 'value for money' offerings. Alok's domestic retail foray, through its 'H&A' stores is aimed specifically to satisfy the apparel and home textile needs of people who appreciate quality at affordable prices. Ninety stores have already been launched and a roll-out plan to have 300 stores by the end of 2009-10 across India is already in place. With quality textile products and accessories being made available at affordable prices, 'H&A' intends to grow rapidly, along with the growth of the Indian retail sector.

The UK operations are also being revamped and have already started to show positive results. The re-branding exercise is also progressing satisfactorily; the cost rationalising measures have started to bear fruit.

Alok believes that its retail business offers growth potential in both the internationals and the domestic markets.

Cautionary Statement

The management of Alok Industries Ltd. has prepared and is responsible for the financial statements that appear in this report. These are in conformity with accounting principles generally accepted in India and, therefore, include amounts based on informed judgments and estimates. The management also accepts responsibility for the preparation of other financial information that is included in this report. Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. The management has based these forward looking statements on its current expectations and projections about future events. Such statements involve known and unknown risks significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs and may cause actual results to differ materially.

14 Source: International Cotton Advisory Committee

15 Source: Cotton Corporation of India

CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

Alok believes that adopting transparent accounting policies, appropriate disclosure norms, best-in-class board practices and consistently high standards of corporate conduct towards its stakeholders is imperative and non-negotiable for a world-class company. To that effect, Alok has consistently aimed at developing and implementing such policies and procedures that make it a good model of corporate governance and to be fully compliant with practices mandated in clause 49.

This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholders Information, reports Alok's compliance with clause 49.

Board of Directors

Composition of the Board

As on 31 March 2009, Alok's Board comprised of twelve Directors. The Board has four Executive Directors, of which the Executive Chairman, Managing Director and Joint Managing Director are also promoter Directors. In addition, the Board has seven non-executive independent Directors and one non- executive Director, including five Directors who are nominees of various financial institutions. The composition of the Board satisfies the conditions that SEBI has laid down in this regard.

Number of Board Meetings

In 2008-09, the Board of the Company met six times on 28 April 2008, 30 July 2008, 2 September 2008, 27 October 2008, 3 January 2009 and 30 January 2009. The maximum gap between any two Board meetings was less than four months.

Table 1 details the composition and the attendance record of the Board of Directors.

Name of the Directors	Category #	Attendance Particulars			No. of other Directorships and Committee Membership/ Chairmanships in other Indian/Public companies		
		Number of Board Meetings		Last AGM	Other Directorships	Committee	
		Held	Attendend			Memberships	Chairmanships
Mr. Ashok B. Jiwrajka (Executive Chairman)	Promoter, Executive	6	5	No	13	2	1
Mr. Dilip B. Jiwrajka (Managing Director)	Promoter, Executive	6	5	No	13	4	—
Mr. Surendra B. Jiwrajka (Joint Managing Director)	Promoter, Executive	6	6	Yes	13	2	—
Mr. C.K. Bubna	Executive	6	2	Yes	1	—	—
Mr. Ashok G. Rajani	Independent	6	5	No	—	—	—
Mr. K.R. Modi	Independent	6	6	Yes	1	4	—
Mr. K.C. Jani(Nominee of IDBI Bank Limited	Independent	6	3	No	1	1	—
Mr. K. D. Hodavdekar (Nominee of IDBI Bank Limited)	Independent	6	3	No	1	—	—
Mr. Rakesh Kapoor (Nominee of IFCI Ltd.)	Independent	6	6	Yes	2	—	—
Mr. K.J. Punnathara (Nominee of Life Insurance Corporation of India)	Independent	6	5	Yes	—	—	—
Mr. R.J. Kamath(Nominee of IDBI Bank Limited)	Independent	6	4	No	3	1	3
Ms. Hiroo S. Advani (Nominee of Export Import Bank of India)	Independent	6	5	No	1	—	—
Mr. Timotny Ingram	Non-Executive	6	4	No	—	—	—
Mr. A. B. Dasgupta (Nominee of IDBI Bank Limited)	Independent	6	1	No	—	—	—

Notes:

1. Nomination of Mr. K. C. Jani was withdrawn by IDBI Bank Limited w.e.f. 8 September 2008 and in his place Mr. K. D. Hodavdekar was appointed.
2. Nomination of Mr. R. J. Kamath was withdrawn by IDBI Bank Limited w.e.f. 30 December 2008 and in his place Mr. A. B. Dasgupta was appointed.

None of the Directors is a member of more than 10 Board-level Committees of public companies in which they are Directors, nor is Chairman of more than five such Committees.

Directors with Materially Pecuniary or Business Relationship with the Company

As mandated by Clause 49, the independent Directors on Alok's Board:

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

Transactions with related parties are disclosed in Note 3 of 'Notes forming part of the Accounts' annexed to the financial statements of the year. There has been no materially relevant pecuniary transaction or relationship between Alok and its non-executive and/or independent Directors during the year 2008-09.

Note:
Mr. K.R. Modi is a senior partner of M/s. Kanga & Co., Solicitors and Advocates, who have a professional relationship with the Company. The quantum of professional fees received by M/s. Kanga & Co. from Alok Industries Ltd. constitutes less than 2% of the total revenues of the legal firm. The Board of Directors of Alok Industries Ltd. is of the view that the association of the legal firm with the Company is not material. The professional fees of Rs. 1,429,600/- paid to the legal firm during the year ended 31 March 2009 are not considered material enough to impinge upon the independence of Mr. K.R. Modi.

Information Supplied to the Board

Among others, information supplied to the Board includes:

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

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

Committees of the Board

Audit Committee

As on 31 March 2009, Alok's Audit Committee consisted of Mr. Rakesh Kapoor (Chairman of the Committee), Mr. Ashok G. Rajani, Mr. K.R. Modi, Mr. K.J. Punnathara and Mr. Dilip B. Jiwrajka. All members of the Audit Committee have accounting and financial management expertise. Due to health reasons, the Chairman of the Audit Committee could not attend the Annual General Meeting (AGM) held on 29 September 2008.

The Committee met six times during the course of the year: on 28 April 2008, 30 July 2008, 2 September 2008, 27 October 2008, 3 January 2009 and 30 January 2009. Table 2 gives attendance record.

Table 2: Attendance record of Audit Committee members for 2008-09

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. K.C. Jani	Chairman till 26 October 2008	Independent	6	3
Mr. Rakesh Kapoor	Chairman from 27 October 2008	Independent	6	6
Mr. Ashok G. Rajani	Member	Independent	6	5
Mr. K.R. Modi	Member	Independent	6	6
Mr. K.J. Punnathara	Member	Independent	6	5
Mr. Dilip B. Jiwrajka	Member	Promoter, Executive	6	5

At the meeting of the Board of Directors of the Company held on 27 October 2008, Mr. Rakesh Kapoor was appointed as Chairman of the Audit Committee in place of Mr. K. C. Jani, as the nomination of Mr. K. C. Jani was withdrawn by IDBI Bank Limited on 8 September 2008.

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

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

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

13. Reviewing any changes in the accounting policies or practices as compared to the last completed financial year and commenting on any deviation from the Accounting Standards.
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

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

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

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

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

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

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

Shareholders'/Investors' Grievances Committee

The Committee looks into all matters related with the transfer of securities; it also specifically looks into redressing complaints of shareholders and investors such as transfer of shares, issue of share certificates, non-receipt of Annual Report and non-receipt of declared dividends. The Committee comprises of Mr. Ashok. G. Rajani, who is the Chairman of the Committee, Mr. Dilip B. Jiwrajka, Mr. Surendra B. Jiwrajka and Mr. Ashok B. Jiwrajka. The Committee met 11 times during the year. Table 3 gives the details of attendance.

Table 3: Attendance record of Shareholders'/Investors' Grievances Committee for 2008-09

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. Ashok G. Rajani	Chairman	Independent	11	11
Mr. Dilip B. Jiwrajka	Member	Promoter, Executive	11	11
Mr. Surendra B. Jiwrajka	Member	Promoter, Executive	11	11
Mr. Ashok B. Jiwrajka	Member	Promoter, Executive	11	11

Remuneration Committee

Alok's Remuneration Committee is responsible for recommending the fixation and periodic revision of remunerations of the Managing Director, Executive Directors and senior employees. This is done after reviewing their performance based on pre-determined evaluation parameters and the Company policy of rewarding achievements and performance.

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

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

Executive Committee

The Board of Directors have delegated the authority to supervise and monitor the day-to-day activities of the company to an Executive Committee. The committee comprises of Mr. Ashok B. Jiwrajka, Mr. Dilip B. Jiwrajka and Mr. Surendra B. Jiwrajka. The Committee met 57 times during the year.

Remuneration of Directors

Information on remuneration of Directors for the year ended 31 March 2009 is set forth in Table 4 below.

Table 4: Remuneration paid or payable to Directors for the year ended 31 March 2009

Name of the Director	Sitting Fees[2]	Salary and Perquisites	Provident & Superannuation Funds In Rs.	Commission[3]	Total
Mr. Ashok B. Jiwrajka	-	18,000,000	-	12,500,000	30,500,000
Mr. Dilip B. Jiwrajka	-	18,000,000	-	12,500,000	30,500,000
Mr. Surendra B. Jiwrajka	-	18,000,000	-	12,500,000	30,500,000
Mr. C.K. Bubna	-	18,000,000	-	12,500,000	30,500,000
Mr. Ashok G. Rajani	100,000	-	-	-	100,000
Mr. K.R. Modi	120,000	-	-	-	120,000
Mr. K.C. Jani (Nominee of IDBI Bank Limited)	60,000	-	-	-	60,000
Mr. K. D. Hodavdekar (Nominee of IDBI Bank Limited)	60,000	-	-	-	60,000
Mr. Rakesh Kapoor [4] (Nominee of IFCI Ltd.)	120,000	-	-	-	120,000
Mr. K.J. Punnathara [4] (Nominee of Life Insurance Corporation of India)	100,000	-	-	-	100,000
Mr. R.J. Kamath [4] (Nominee of IDBI Bank Limited)	80,000	-	-	-	80,000
Ms. Hiroo S. Advani [4] (Nominee of Export Import Bank of India)	100,000	-	-	-	100,000
Mr. Timothy Ingram	80,000	-	-	-	80,000
Mr. A. B. Dasgupta [4] (Nominee of IDBI Bank Limited)	20,000	-	-	-	20,000

Notes:

1. None of the Directors are related to each other, except Mr. Ashok B. Jiwrajka, Mr. Dilip B. Jiwrajka and Mr. Surendra B. Jiwrajka, who are brothers.
2. Sitting fees include payment for Board-level committee meetings.
3. Commission proposed and payable after approval of accounts by shareholders in the AGM.
4. Sitting fees of nominee Directors Mr. R.J. Kamath, Mr. K.J. Punnathara, Mr. Rakesh Kapoor and Mr. A. B. Dasgupta have been / are paid in their names. In the case of the other nominee Directors, the sitting fees are paid to the financial institution they represent.

Shares and Convertible Instruments Held by Non-Executive Directors

As on 31 March 2009, Mr. Ashok G. Rajani, independent Director held 200 equity shares of the Company and Mr. K. R. Modi, independent Director held 1,500 equity shares of the Company. No other non-executive Director holds any equity shares in Alok Industries Ltd.

As on 31 March 2009, none of the non-executive directors held any convertible instruments of the Company.

Subsidiary Companies

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

As on 31 March 2009, Alok had no material non-listed Indian subsidiary.

Management

Management Discussion and Analysis

This Annual Report has a detailed chapter on Management Discussion and Analysis.

Disclosures by Management to the Board

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

Disclosure of Accounting Treatment in Preparation of Financial Statements

Alok has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

Code for Prevention of Insider-Trading Practices

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

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

CEO/ CFO Certification

The CEO and CFO certification of the financial statements for the year is enclosed at the end of the report.

Shareholders

Appointment/ Re-Appointment of Directors

Mr. Dilip B. Jiwrajka and Mr. Surendra B. Jiwrajka retire by rotation at the end of this year's Annual General Meeting, and being eligible, offer themselves for re-appointment. Their details are mentioned below.

Name	Mr. Dilip B. Jiwrajka
Date of Birth	09.10.1956
Date of Appointment	12.03.1986
Brief Resume	Mr. Dilip Jiwrajka completed his schooling and college from Mumbai. Subsequently, he completed his post-graduation in business entrepreneurship and management. He began his career as a management trainee and thereafter he started the business of trading in textiles before jointly promoting the Company. He is associated with the textile industry for more than 25 years.
Nature of Expertise in specific functional areas	His functions as the Managing Director include envisioning the Company's growth strategy, responsibility for the apparel fabric and garment divisions and overseeing the finance, administration and overall working of our Company and its group companies.
Other Directorship	Grabal Alok Impex Limited Alok Knit Exports Limited Aurangabad Textiles & Apparel Parks Limited Alspun Infrastructure Limited Alok Infrastructure Limited Alok Apparels Private Limited Alok Realtors Private Limited Alok Retail (India) Limited Alok Land Holdings Private Limited Alok Aurangabad Infratex Private Limited Alok New City Infratex Private Limited Alok Industries International Limited Grabal Alok International Limited Grabal Alok (UK) Limited Alok Inc. Alok Denims (India) Private Limited Alok Finance Private Limited Jiwrajka Associates Private Limited Jiwrajka Investment Private Limited Niraj Realtors & Shares Private Limited Nirvan Holdings Private Limited Ashford Infotech Private Limited Gogri Properties Private Limited Alok International Inc. Alok HB Properties Private Limited Alok HB Hotels Private Limited Amigo Sports Private Limited
Other Committee Memberships	Member of the (i) Audit Committee; (ii) Executive Committee; (iii) Remuneration Committee; and (iv) Shareholders and Investor Grievance Committee of Grabal Alok Impex Limited
No. of shares held in the Company	6,596,036

Name	Mr. Surendra B. Jiwrajka
Date of Birth	17.10.1958
Date of Appointment	12.03.1986
Brief Resume	Mr. Surendra Jiwrajka completed his schooling and college from Mumbai. He started his textile career with trading in polyester yarn before jointly co-promoting the Company He has over two decades of experience in Textiles.
Nature of Expertise in specific functional areas	His functions as the Joint Managing Director include envisioning the Company's growth strategy, overseeing the manufacturing, marketing functions of the polyester and spinning businesses and project implementation of our Company.
Other Directorship	Grabal Alok Impex Limited Alok Knit Exports Limited Aurangabad Textiles & Apparel Parks Limited Alspun Infrastructure Limited Alok Infrastructure Limited Alok Apparels Private Limited Alok Realtors Private Limited Alok Retail (India) Limited Alok Land Holdings Private Limited Alok Aurangabad Infratex Private Limited Alok New City Infratex Private Limited Alok Industries International Limited Grabal Alok International Limited Grabal Alok (UK) Limited Alok Inc. Alok Denims (India) Private Limited Alok Finance Private Limited Jiwrajka Associates Private Limited Jiwrajka Investment Private Limited Niraj Realtors & Shares Private Limited Nirvan Holdings Private Limited Ashford Infotech Private Limited Gogri Properties Private Limited Alok International Inc. Alok HB Properties Private Limited Alok HB Hotels Private Limited
Other Committee Memberships	Member of the (i) Executive Committee; and (ii) Shareholders and Investor Grievance Committee of Grabal Alok Impex Limited
No. of shares held in the Company	**6,852,263**

Communication to Shareholders

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

During the year, the quarterly results of the company's performance have been published in leading newspapers such as 'Business Standard, 'The Economic Times' in English, 'Maharashtra Times' and 'Sakal' in Marathi and are also posted on its website. Hence, they are not separately sent to the shareholders. The Company, however, furnishes the quarterly results on receipt of a request from any shareholder.

Investor Grievances & Shareholder Redressal

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

Details of Non-Compliance by the Company

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

General Body Meetings

The date, time and venue of the last three annual general meetings are given below.

Table 5 : Details of last three Annual General Meetings

Financial year	Date	Time	Venue	Special Resolutions Passed
2005-06	29 September 2006	10.00 A.M.	Textiles Committee Auditorium,P Balu Road, Prabhadevi Chowk,Prabhadevi, Mumbai 400025	1. Borrow money in excess of paid-up capital and free reserves of the Company. 2. Creation of Charge / Mortgage.
2006-07	25 September 2007	11.00 A.M.	Textiles Committee Auditorium,P Balu Road, Prabhadevi Chowk,Prabhadevi, Mumbai 400025	1. Increase of remuneration of a relative of Whole-time Directors of the Company.
2007-08	29 September 2008	11.00 A.M.	Textiles Committee Auditorium P Balu RoadPrabhadevi Chowk Prabhadevi, Mumbai 400025	1. Re-appointment of three Whole-time Directors of the Company. 2. Increase of remuneration of three relatives of Whole-time Directors of the Company.

Postal Ballots

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

I. A Postal Ballot was conducted on three occasions pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 for obtaining the consent of the Shareholders of the Company for the various ordinary and special resolutions. The details of resolutions passed through postal ballot during 2008-09 are given below.

a. Purpose of the Resolution

Hiving-off the retail division of the Company to a 100% wholly owned subsidiary company viz. Alok Retail (India) Limited.

b. Type of Resolution: Ordinary Resolution

The procedure adopted was as follows:

1. A Postal Ballot Notice dated 27 October 2008 was sent to all the Shareholders along with Postal Ballot Form and the Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 seeking their assent / dissent to the proposed Resolution.
2. The Board of Directors appointed Mr. Virendra Bhatt, Company Secretary in Practice, as the Scrutiniser for conducting the Postal Ballot exercise.
3. Upon the receipt of the duly filled in Postal Ballot Forms and completion of the scrutiny thereof, the Scrutiniser submitted his report to the Chairman.
4. The Chairman thereafter announced the results of the Postal Ballot on 28 November 2008.

A summary of the results is given below in Table 6:

Table 6: Details of results of the Postal Ballot: announced on 28 November 2008

PARTICULARS		No. of Postal Ballot Forms	No. of Shares / Percentage of Shares	Percentage of total Paid up Equity Capital
Resolution No. 1	Valid Postal Ballot Forms Received	212	81,829,307 / 100%	41.543%
	Assent	205	81,828,022 / 99.999%	41.542%
	Dissent	7	1,285 / 0.001%	0.0001%

The Resolution was, accordingly, declared by the Chairman as passed by the requisite majority.

II. a. Purpose of the Resolutions

(i) Increase in authorised share capital of the Company from Rs.300 crore to Rs.525 crore by creation of 22.50 crore new Equity Shares of Rs.10/- each and conversion of existing part un-issued 2.50 crore Rs.10/- each into new Equity Shares of Rs.10/- each

(ii) Change in Clause V of the Memorandum of Association of the Company by virtue of increase in authorised share capital;

(iii) Change in Article 3 of the Articles of Association of the Company by virtue of increase in authorised share capital.

b. Type of Resolutions: All three were Special Resolutions.

The procedure of the Postal Ballot adopted was as follows:

1. A Postal Ballot Notice dated 14 November 2008 was sent to all the Shareholders along with Postal Ballot Form and the Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 seeking their assent / dissent to the proposed Resolutions.
2. The Board of Directors appointed Mr. Virendra Bhatt, Company Secretary in Practice, as the Scrutiniser for conducting the Postal Ballot exercise.

3. Upon the receipt of the duly filled in Postal Ballot Forms and completion of the scrutiny thereof, the Scrutiniser submitted his report to the Chairman.
4. The Chairman thereafter announced the results of the Postal Ballot on 19 December 2008.

A summary of the results is given below in Table 7:

Table 7: Details of results of the Postal Ballot: announced on 19 December 2008

PARTICULARS		No. of Postal Ballot Forms	No. of Shares / Percentage of Shares	Percentage of total Paid up Equity Capital
Resolution No. 1	Valid Postal Ballot Forms Received	303	79,344,837 / 100%	40.282%
	Assent	295	79,339,272 / 99.992%	40.279%
	Dissent	7	5,465 / 0.006%	0.002%
	Neutral	1	100 / 0.001%	0.001%
Resolution No. 2	Valid Postal Ballot Forms Received	303	79,344,837 / 100%	40.282%
	Assent	282	79,332,787 / 99.985%	40.276%
	Dissent	6	4,590 / 0.006%	0.002%
	Neutral	15	7,460 / 0.009%	0.004%
Resolution No. 3	Valid Postal Ballot Forms Received	303	79,344,837 / 100%	40.282%
	Assent	281	79,332,637 / 99.985%	40.276%
	Dissent	7	4,740 / 0.006%	0.002%
	Neutral	15	7,460/ 0.009%	0.004%

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

III. a. Purpose of the Resolutions:

(i) Increase in authorised share capital of the Company from Rs. 525 crore to Rs. 650 crore by creation of 12.50 crore new Equity Shares of Rs.10/- each.

(ii) Change in Clause V of the Memorandum of Association of the Company by virtue of increase in authorised share capital;

(iii) Change in Article 3 of the Articles of Association of the Company by virtue of increase in authorised share capital.

b. Type of Resolutions: All three were Special Resolutions.

The procedure of the Postal Ballot adopted was as follows:

1. A Postal Ballot Notice dated 23 January 2009 was sent to all the Shareholders along with Postal Ballot Form and the Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 seeking their assent / dissent to the proposed Resolutions.
2. The Board of Directors appointed Mr. Virendra Bhatt, Company Secretary in Practice, as the Scrutiniser for conducting the Postal Ballot exercise.
3. Upon the receipt of the duly filled in Postal Ballot Forms and completion of the scrutiny thereof, the Scrutiniser submitted his report to the Chairman.
4. The Chairman thereafter announced the results of the Postal Ballot on 27 February 2009.

A summary of the results is given below in Table 8:

Table 8: Details of results of the Postal Ballot: announced on 27 February 2009

PARTICULARS		No. of Postal Ballot Forms	No. of Shares / Percentage of Shares	Percentage of total Paid up Equity Capital
Resolution No. 1	Valid Postal Ballot Forms Received	263	99,769,342 / 100%	50.650%
	Assent	257	99,767,142 / 99.998%	50.649%
	Dissent	6	2,200 / 0.002%	0.001%
Resolution No. 2	Valid Postal Ballot Forms Received	263	99,769,342 100%	50.650%
	Assent	239	99,749,097 / 99.980%	50.640%
	Dissent	6	2,200 / 0.002%	0.001%
	Neutral	18	18,045 / 0.018%	0.009%
Resolution No. 3	Valid Postal Ballot Forms Received	263	99,769,342 / 100%	50.650%
	Assent	240	99,748,397 / 99.980%	50.640%
	Dissent	6	2,200 / 0.002%	0.001%
	Neutral	17	18,754 / 0.018%	0.009%

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

Compliance

Mandatory Requirements

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

Non- Mandatory Requirements

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

Non Executive Chairman's Office

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

Remuneration Committee

Details of the composition and function of the Remuneration Committee are given in the section 'Committees of the Board'.

Shareholder Rights - Furnishing of Half-Yearly Results

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

Audit Qualifications

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

Whistle-Blower Policy

Alok encourages an open door policy, where employees have access to the Head of Business / Head of Function. In terms of the Company's Code of Conduct, any instance of non-adherence to the Code or any observed unethical behaviour is to be brought to the attention of the immediate reporting authority; the immediate reporting authority has to bring it to the notice of the Code of Conduct's Compliance Officer. Mr. K.H. Gopal, President (Corporate Affairs) & Secretary is the Compliance Officer for Alok's Code of Conduct.

Auditor's Certificate on Corporate Governance

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

SHAREHOLDERS' INFORMATION

Annual General Meeting

Date: **25 September 2009**
Time: 11.00 A.M.
Venue: Textiles Committee Auditorium
P Balu Road, Prabhadevi Chowk
Prabhadevi, Mumbai 400025

Financial Calendar

1 April to 31 March.

For the year ended 31 March 2009, results were announced on:

First quarter: Provisional	**30 July 2008**
Second quarter: Provisional	**27 October 2008**
Third quarter: Provisional	**30 January 2009**
Fourth quarter and Annual: Provisional	**29 April 2009**
Annual: Audited	**29 July 2009**

For the year ending 31 March 2010, results will be announced by:

First Quarter: Provisional	**29 July 2009**
Second Quarter: Provisional	**October 2009**
Third Quarter: Provisional	**January 2010**
Fourth Quarter and Annual: Provisional	**April 2010**
Annual: Audited	**July 2010**

Book Closure

The books will be closed from Friday 18th September 2009 to Friday 25th September 2009(both days inclusive) as annual closure for the Annual General Meeting.

Dividend

Equity Shares: The Board had recommended and shareholders had approved an interim dividend of Rs. 0.75 per equity share for the year ended 31 March 2009; the dividend was paid to the shareholders on 6 May 2009, with the record date of 2 May 2009.

Listing

Equity shares of Alok Industries Limited are listed on the Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

Stock Codes

BSE	**521070**
NSE	**ALOKTEXT-EQ**
ISIN No.	**INE270A01011**

All listing and custodial fees to the Stock Exchanges and depositories have been paid to the respective institutions.

Stock Data

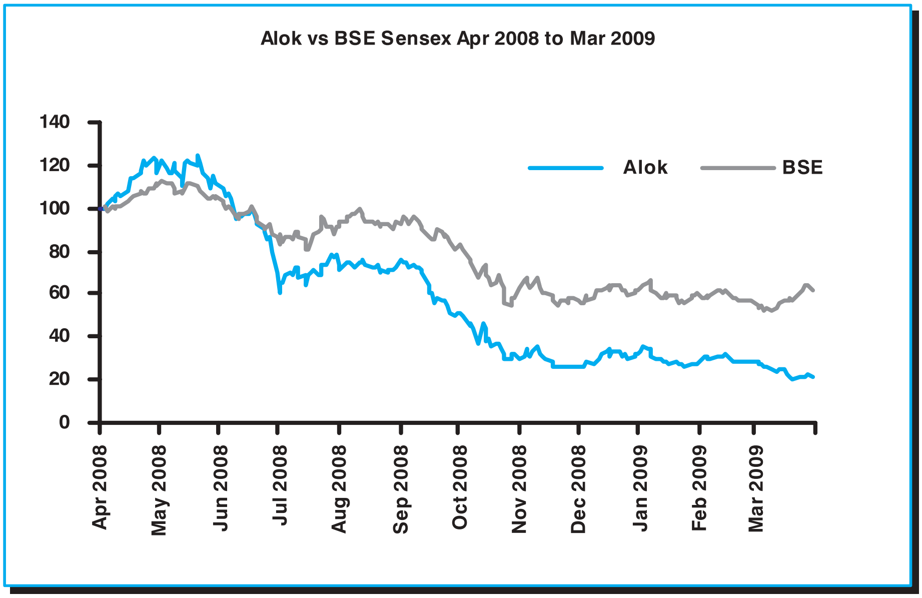
Table 9: High and Low Prices, and Trading Volumes at the BSE and NSE

Month	(BSE)			(NSE)		
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)	Volume (Nos.)
April 2008	72.90	55.30	10,501,453	73.00	55.30	25,369,629
May 2008	70.80	60.00	14,720,719	70.90	60.65	36,721,591
June 2008	64.30	39.20	5,444,862	64.50	39.25	16,043,908
July 2008	45.80	33.25	6,084,446	45.80	33.20	18,620,686
August 2008	43.75	38.80	3,288,643	49.40	39.05	13,300,706
September 2008	43.40	26.00	3,098,394	43.20	26.00	11,961,676
October 2008	29.65	13.75	6,541,870	29.50	13.60	16,587,454
November 2008	20.80	13.55	7,751,101	21.35	13.75	14,649,645
December 2008	19.80	14.00	7,346,282	19.90	14.00	16,082,814
January 2009	20.40	14.55	5,895,069	20.65	14.55	11,901,913
February 2009	18.70	15.35	5,279,258	18.60	15.25	11,264,263
March 2009	16.20	11.55	14,145,467	16.20	11.55	34,797,575

Stock Performance

Chart 'A' plots the movement of Alok's shares compared to the BSE Sensex.

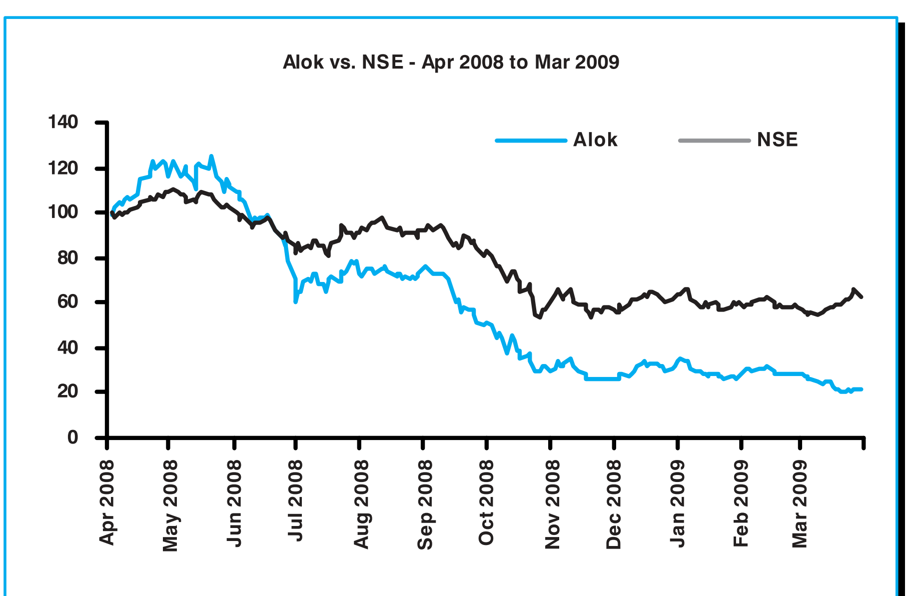
Chart A: Share prices of Alok Industries Limited versus BSE Sensex for the year ended 31 March 2009



Note: Alok's share prices and the BSE Sensex have been indexed to 100 as on 1 April 2008

Chart 'B' plots the movement of Alok's shares compared to the NIFTY.

Chart B: Share prices of Alok Industries Limited versus NSE NIFTY for the year ended 31 March 2009



Note: Alok's share prices and the NSE NIFTY have been indexed to 100 as on 1 April 2008

Share Transfer Agents and Share Transfer and Demat System

Alok executes share transfers through its share transfer agents, whose details are given below.

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West), Mumbai 400078
Tel: +91-22-2596 3838; Fax: +91-22-2594 6969

In compliance with the SEBI circular dated 27 December 2002, requiring share registry in terms of both physical and electronic mode to be maintained at a single point, Alok has established direct connections with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the two depositories, through its share transfer agent.

Shares received in physical form are processed and the share certificates are returned within 10 to 15 days from the date of receipt, subject to the documents being complete and valid in all respects. The Company has, as per SEBI guidelines, offered the facility for dematerialised trading.

The Company's equity shares are under compulsory dematerialised trading. Shares held in the dematerialised form are electronically traded in the Depository. The Registrar and the Share Transfer Agent of the Company periodically receives data regarding the beneficiary holdings, so as to enable them to update their records and send all corporate communications, dividend warrants, etc.

As on 31 March 2009, dematerialised shares accounted for 96.89% per cent of total equity.

There are no legal proceedings against Alok on any share transfer matter. Table 10 gives details about the nature of complaints and their status as on 31 March 2009.

Table 10: Number and nature of complaints for the year 2008-09

PARTICULARS	Complaints				Total
	Non-Receipt of Certificates	Change of address	Non-receipt of dividend	Others (Non-Receipt of Annual Reports/ Non Receipt of Demat credit, etc.	
Received during the year	03	30	54	202	**289**
Attended during the year	03	30	54	202	**289**
Pending as on 31 March 2009	0	0	0	0	**0**

Shareholding Pattern

Tables 11 and 12 give the pattern of shareholding by ownership and share class respectively.

Table 11: Pattern of shareholding by ownership as on 31 March 2009

Category	As on 31 March 2009	
	Total No. of shares	Percentage
A. Promoters' Holding		
1 Promoters		
Indian Promoters	69,952,940	35.51
Foreign Promoters	102,000	0.05
2 Persons Acting in Concert		
Total	**70,054,940**	**35.56**
B. Non-Promoters' Holding		
3 Institutional Investors		
a. Mutual Funds and UTI	2,081,544	1.06
b. Banks, Financial Institutions, Insurance Companies	19,364,587	9.83
c. FIIs	36,944,035	18.76
Total	**58,390,166**	**29.65**
4 Others		
a. Private Corporate Bodies	28,465,054	14.45
b. Indian Public	38,653,292	19.62
c. NRIs / OCBs	1,408,517	0.72
d. Directors & Relatives (not in control of the Company)	NIL	0.00
e. Trusts	3,000	0.00
Total	**68,529,863**	**34.79**
Grand Total	**196,974,969**	**100.00**

Table 12 : Pattern of shareholding by share class as on 31 March 2009

Shareholding Class	Number of Shareholders	Number of Shares Held	Shareholding %
Upto 2,500	42,023	4,470,751	65.74
2,501 to 5,000	10,847	4,442,274	16.97
5,001 to 10,000	5,675	4,831,299	8.88
10,001 to 20,000	2,562	4,043,447	4.00
20,001 to 30,000	887	2,323,971	1.39
30,001 to 40,000	454	1,638,208	0.71
40,001 to 50,000	367	1,757,937	0.57
50,001 to 10,0000	545	4,060,677	0.85
100,001 and above	563	169,406,405	0.88
Total	**63,923**	**196,974,969**	**100.00**

Details of Public Funding Obtained in the Last Three Years and Outstanding Warrants and their Implications on Equity

Financial Year 2006-07

On 3 April 2006 and 15 May 2006, the Company issued and allotted 1,400,000 Equity Shares and 9,747,540 Equity Shares of Rs. 10.00 each at a premium of Rs.51.00 per share on conversion of Optionally Convertible Preference Shares to TAD (Mauritius) Ltd. Consequently, the total paid-up capital of the Company became 168,615,996 Equity Shares of Rs. 10.00 each.

On varying dates, the Company issued and allotted 1,755,978 Equity Shares of Rs. 10.00 each on conversion of FCCBs at a premium of Rs. 61.5875 per share. Consequently, the total paid-up capital of the Company became 170,371,974 Equity Shares of Rs. 10.00 each.

Financial Year 2007-08

On varying dates, the Company issued and allotted 15,869,202 Equity Shares of Rs. 10.00 each on conversion of FCCBs at a premium of Rs. 61.5875 per share. Consequently, the total paid-up equity capital of the Company became 186,241,176 Equity Shares of Rs. 10.00 each.

On 26 February 2008, the Company issued and allotted 933,793 Equity Shares of Rs. 10.00 each at a premium of Rs. 92.00 per share to the promoter group on a preferential allotment basis. After the issue, the total paid-up equity capital of the Company became 187,174,969 Equity Shares of Rs. 10.00 each.

Financial Year 2008-09

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

Table 13 gives the details.

Table 13: 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
2006-07	i.	1,400,000 Equity Shares and 9,747,540 Equity Shares of Rs. 10.00 each, at a premium of Rs. 51.00 per share on conversion of Optionally Convertible Preference Shares (OCPS) to TAD (Mauritius) Ltd	After the conversion of OCPSs and FCCBs, the total paid-up capital of the Company increased from 157,468,456 Equity Shares of Rs. 10.00 each to 170,371,974 Equity Shares of Rs. 10.00 each
	ii.	1,755,978 Equity Shares of Rs. 10.00 each, at a premium of Rs. 61.5875 per share on conversion of Foreign Currency Convertible Bonds (FCCBs)	
2007-08	i.	15,869,202 Equity Shares of Rs. 10.00 each, at a premium of Rs.61.5875 per share on conversion of FCCBs	After the conversion of FCCBs and preferential allotment, the total paid-up capital of the Company increased from 170,371,974 Equity Shares of Rs. 10.00 each to 187,174,969 Equity Shares of Rs. 10.00 each
	ii.	933,793 Equity Shares of Rs. 10.00 each, at a premium of Rs. 92.00 per share to the promoter group on a preferential allotment basis	
2008-09	i.	9,800,000 Equity Shares of Rs. 10.00 each, at a premium of Rs.92.00 per share to the promoter group on conversion of warrants into equity shares.	After the conversion of Warrants into equity shares, the total paid-up capital of the Company increased from 187,174,969 Equity Shares of Rs. 10.00 each to 196,974,969 Equity Shares of Rs. 10.00 each

As on 31 March 2009, there are:

(1) 475 FCCBs outstanding (each of US$ 50,000), aggregating to US$ 23.75 million. The conversion price for FCCBs is Rs. 71.5875 (Rs. 10.00 face value and premium of Rs. 61.5875)

(2) 10,000,000 warrants convertible into equity shares issued to promoter group on a preferential basis on 26 February 2008.

Plant Locations

Spinning	• 412, Saily, Silvassa, U T of Dadra & Nagar Haveli
Weaving	• Babla Compound, Kalyan Road, Dist. Bhiwandi, Thane
	• 17/5/1and521/1,RakholiSaily, Silvassa, U T of Dadra & Nagar Haveli
	• 209/1 & 209/4, Silvassa, Village Dadra, U T of Dadra & Nagar Haveli
Knitting	• 17/5/1 and 521/1, Rakholi / Saily, Silvassa, U T of Dadra & Nagar Haveli
Processing	• C-16/2, Village Pawane, TTC Industrial Area, MIDC, Navi Mumbai, Dist. Thane
	• 268, Village Balitha, Taluka Pardi, Dist. Valsad, Gujarat
	• 254,VillageBalitha,Taluka Pardi, Dist. Valsad, Gujarat
Garments	• A 130-134, TTC Industrial Area, Khairne, MIDC, Navi Mumbai
	• 374/2/2, Saily, Silvassa, U T of Dadra & Nagar Haveli
Made ups	• 374/2/2, Saily, Silvassa, U T of Dadra & Nagar Haveli
	• 268,VillageBalitha,Taluka Pardi, Dist. Valsad, Gujarat
POY	• 521/1, Saily, Silvassa, U T of Dadra & Nagar Haveli
Hemming	• 103/2, Rakholi, Silvassa, U T of Dadra & Nagar Haveli
POY & Texturising Yarn	• 521/1, Saily, Silvassa, U T of Dadra & Nagar Haveli

Investor Correspondence Address

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

Compliance Officer for Investor Redressal

K.H. Gopal
President (Corporate Affairs) & Secretary
Alok Industries Limited
Peninsula Tower 'A', Peninsula Corporate Park
GK Marg, Lower Parel
Mumbai 400013
E-mail: gopal@alokind.com

Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF)

The Notes to the Notice details the due dates on which unclaimed dividends lying in the unpaid dividend accounts of the Company would be credited to the IEPF. Investors are requested to claim their unclaimed dividends before these due dates.

Pursuant to Section 205C of the Companies Act, 1956 and the IEPF (Awareness and Protection of Investors) Rules, 2001, a sum of Rs. 204,806.00, being the unclaimed dividend for the year 2000-01, has been credited to the IEPF.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
Alok Industries Limited

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement entered into, by the Company, with stock exchange(s) in India for the financial year ended on 31March 2009.

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

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based on such a review and to the best of our information and according to the explanations given to us, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the said Listing Agreements.

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

For Gandhi & Parekh
Chartered Accountants

Devang B. Parekh
Partner

Membership No: 105789

Place: Mumbai
Dated: 29 July 2009

COMPANY SECRETARIAL COMPLIANCE CERTIFICATE

To,
The Board of Directors,
ALOK INDUSTRIES LIMITED

I have examined the registers, records, books and papers of ALOK INDUSTRIES LIMITED as required to be maintained under the Companies Act, 1956, (the “Act”) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial year ended on 31March 2009 (“Financial Year”). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, I am of opinion that in respect of the aforesaid Financial Year;

1. The Company has kept and maintained all the registers as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded, subject to reconciliation with the Books of Accounts.

2. According to the Auditors report and information and explanation given to us by the Company, the Company has neither granted nor taken any loans, secured or unsecured/Deposits to parties covered in the register maintained under section 301 of the Act.

3. In our opinion and according to the information and explanation given to us and as per the Auditor’s report, there are no contracts entered in the register maintained as referred to in section 301 of the Act.

4. The Company has duly filed the forms and returns with the authorities prescribed under the Act and rules made thereunder.

5. The Board of Directors duly met six times in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

6. The Annual General Meeting for the Financial Year ended on 31 March 2008 was held on 29 September 2008 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.

7. The Company has paid / posted warrants for dividends to all the members within a period of 30(Thirty) days from the date of declaration of dividend.

8. The Company has appointed Link Intime India Private Limited, as Share Transfer Agent who has duly informed me that the Company has delivered all the certificates on allotment of securities and on lodgement thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act.

9. The Board of Directors of the company is duly constituted. There was no appointment of additional director, director to fill in casual vacancy, alternate director during the financial year.

10. The Company has issued 98,00,000 equity shares of Rs. 10/- each at a premium of Rs. 92/- per share to promoter group against conversion of 98,00,000 warrants issued to promoter group on preferential basis.

12. The Company has altered its Memorandum of Association in respect of Authorized Capital of the Company during the financial year.

13. The Company had constituted the Audit Committee required as per Section 292A of the Act.

14. The Company has appointed Cost Auditors under Section 233B of the Act.

Virendra Bhatt
Practising Company Secretary
ACS 1157 /CP 124

Place: Mumbai
Dated: 29 July 2009

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE COMPANY

To
The Board of Directors,
Alok Industries Limited,

We, Dilip B. Jiwrajka, Managing Director and Sunil O. Khandelwal, Chief Financial Officer of Alok Industries Limited, hereby certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

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

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

(b) There are, to the best of our knowledge and belief, no transactions entered into by Alok Industries Limited during the year which are fraudulent, illegal or violative of the company's code of conduct.

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

(d) We have indicated to the auditors and the Audit Committee

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

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

  (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

(e) We affirm that we have not denied any personnel access to the Audit Committee of the company (in respect of matters involving alleged misconduct).

(f) We further declare that all Board members and senior management have affirmed compliance with the code of conduct for the current year.

Place : Mumbai
Dated: 29 July 2009

Dilip. B. Jiwrajka
Managing Director
Alok Industries Limited

Sunil O. Khandelwal
Chief Financial Officer
Alok Industries Limited

AUDITORS' REPORT

To The Members
Alok Industries Limited,

1. We have audited the attached Balance Sheet of Alok Industries Limited, as at 31 March 2009, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion

3. As required by the Companies (Auditors Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) order, 2004 ("the order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ("the Act"), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

   (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act ;

   (v) On the basis of written representations received from the directors, as on 31 March 2009 and taken on record by the Board of Directors, we report that none of the directors is prima-facie disqualified as on 31 March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;

   (vi) We draw attention to Note No. 17 of part 'B' Schedule '19' regarding investment in subsidiary company, aggregating to Rs.368.12 Crore, considered good for the reasons stated in the note and note no: 19 of part 'B' of Schedule '19' regarding insurance claim receivable amounting to Rs.80.63 Crore, considered recoverable for the reasons stated in the note.

   (vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2009;

      (b) in the case of the Profit and Loss Account, of the profit for the year ended 31 March 2009; and

      (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **Gandhi & Parekh**
Chartered Accountants

Devang B. Parekh
Partner

Place: Mumbai.
Dated: 29 July 2009

Membership No. 105789

Annexure referred to in paragraph 3 of our report of even date to the members of the Alok Industries Limited on the financial statements for the year ended 31 March 2009.

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

b) As explained to us, considering the nature of fixed assets, physical verification of major portion of fixed assets as at 31 March 2009 was conducted by the management during the year, which is reasonable having regard to the size of the company and nature of its business,, On the basis of explanations received and documents produced to us for our verification, in our opinion, the net variance found on physical verification were not significant and have been properly dealt with in the books of account.

c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the company and such disposal has, in our opinion, not affected the going concern status of the company.

(II) a) As explained to us, inventories (except stocks lying with third parties and in transit, confirmation/ subsequent receipt have been obtained in respect of such inventory) have been physically verified during the year by the management.

b) The procedure explained to us, which are followed by the management for physical verification of inventories is reasonable and adequate in relation to the size of the Company and the nature of its business.

c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records and inventory. Discrepancies noticed on physical verification of inventory as compared to book records, were not material and have been properly dealt with in the books of accounts.

(III) According to the information and explanation given to us, the Company has neither granted nor taken loans secured or unsecured Deposits to/from parties covered in the register maintained under section 301 of the Act. Therefore, the provisions of clause 4(iii) of the Order are not applicable to the Company.

(IV) In our opinion and according to the information and explanations given to us, there is an adequate Internal Control System commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. Further on the basis of our examination, and according to the information & explanation given to us we have neither come across nor have been informed of any instance of continuing failure to correct major weaknesses in the aforesaid Internal Control System.

(V) In our opinion and according to the information and explanation given to us, there are no contracts entered in the register maintained as referred to in section 301 of the Act. Therefore, the provisions of clause 4(v) of the Order are not applicable to the Company.

(VI) In our opinion and according to the information and explanations given to us, the company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 58A, 58AA or any other relevant provisions of the Act, and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.. To the best of our knowledge and according to the information and explanation given to us no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any other tribunal.

(VII) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business

(VIII) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act in respect of the Company's textile products to which the said rules are made applicable, and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained, we have however, not made a detailed examination of the records with a view to determine whether they are complete and accurate.

(IX) a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty and Excise Duty, Cess were outstanding, as at 31March 2009 for a period of more than six months from the date they became payable.

b) According to the information & explanation given to us, there are no dues in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess that have not been deposited on account of any disputes.

(X) The Company neither has accumulated losses at the end of the year. nor incurred cash losses during the current year and the immediately preceding financial year.

(XI) According to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(XII) According to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(XIII) In our opinion, according to the information & explanation given to us, the company is not a Chit Fund or a Nidhi / mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to The Company.

(XIV) The Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Order are not applicable to the Company.

(XV) According to the information and explanation given to us, the Company has given corporate guarantee for loan taken by its subsidiaries, the terms and conditions whereof in our opinion are not prima facie prejudicial to the interest of the Company.

(XVI) On the basis of the records examined by us, and relying on the information compiled by the Company for co-relating the funds raised to the end use of term loans, we have to state that, the company has, prima-facie, applied the term loans for the purposes for which they were obtained, other than amounts temporarily invested pending utilisation of the funds for the intended use.

(XVII) According to the information & explanation given to us and on overall examination of the Balance Sheet of the Company and after placing reliance on the reasonable assumptions made by the Company for classification of Long Term & Short Term usages of the funds, we are of the opinion that, prima-facie, no funds raised on short-term basis have been utilised for long-term investment.

(XVIII) During the year. the Company has not made any preferential allotment of shares to parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(xviii) of the order are not applicable to the Company.

(XIX) Security / charges have been created in respect of debentures issued, as detailed in Note No. 1 to Schedule '3'of the Balance Sheet.

(XX) The company has not raised any money by public issue during the year. The company, however, has vide offer letter dated 19 March 2009 offered to its existing share holders on Right Basis 408,723,061 equity shares of Rs. 10/- each at a premium of Rs 1/- per share. The Rights issue opened on 31 March 2009 and closed on 22 April 2009. As at balance sheet date the Company received application money of Rs. 137.50 crore. End use is disclosed in Note No. 5 of part 'B' Schedule 19.

(XXI) To the best of our knowledge and belief and according to the information & explanation given to us, no fraud on or by the Company has been noticed or reported during the year that cause the financial statements to be materially misstated.

For **Gandhi & Parekh**
Chartered Accountants

Devang B. Parekh
Partner

Place: Mumbai.
Dated: 29 July 2009

Membership No. 105789

BALANCE SHEET AS AT 31 MARCH 2009

(Rs. Crore)

PARTICULARS	SCHEDULE NO.		AS AT 31 MAR 2009	AS AT 31 MAR 2008
I SOURCES OF FUNDS				
(1) Shareholder's Funds				
(a) Capital	1	196.97		187.17
(b) Share Application Money		137.50		-
(c) Share Warrants		10.20		110.16
(d) Reserves and Surplus	2	1,410.39		1,134.01
			1,755.06	1,431.34
(2) Loan Funds				
(a) Secured Loans	3	6,256.24		4,824.15
(b) Unsecured Loans	4	340.11		943.16
			6,596.35	5,767.31
(3) Deferred Tax Liability (net)			307.97	210.48
(Refer Note No. 9 of Part B of Shedule 19)				
TOTAL			8,659.38	7,409.13
II APPLICATION OF FUNDS				
(1) Fixed Assets				
(a) Gross Block	5	4,534.44		3,371.73
(b) Less : Depreciation /Amortisation		708.85		476.75
(c) Net Block		3,825.59		2,894.98
(d) Capital Work-in-Progress	6	2,158.27		996.32
			5,983.86	3,891.30
(2) Investments	7		478.58	618.96
(3) Foreign Currency Translation Monetary Account			11.20	-
(4) Current Assets, Loans and Advances				
(a) Inventories	8	943.84		687.58
(b) Sundry Debtors	9	884.19		607.71
(c) Cash and Bank Balances	10	344.95		1,673.74
(d) Loans and Advances	11	512.95		408.49
		2,685.93		3,377.52
Less : Current Liabilities and Provisions				
(a) Current Liabilities	12	471.40		442.17
(b) Provisions	13	28.79		36.49
		500.19		478.66
Net Current Assets			2,185.74	2,898.86
TOTAL			8,659.38	7,409.13
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	19			

As per our attached report of even date

For Gandhi & Parekh
Chartered Accountants

Devang B. Parekh
Partner

Place: Mumbai
Dated: 29 July 2009

For and on behalf of the Board

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

Place: Mumbai
Dated: 29 July 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2009

(Rs. Crore)

PARTICULARS	SCHEDULE NO.	YEAR ENDED 31 MAR 2009	YEAR ENDED 31 MAR 2008
INCOME			
Sales (inclusive of excise duty)	14	**2,999.73**	2,219.28
Less : Excise duty		**34.77**	63.29
		2,964.96	2,155.99
Job Work Charges collected (Tax Deducted at Source Rs. 0.10 Crore(Previous year Rs. 0.07 Crore])		**11.97**	14.42
		2,976.93	2,170.41
Other Income	15	**20.81**	67.94
Increase in Stocks of Finished Goods and Process Stock	16	**385.67**	101.44
		3,383.41	2,339.79
EXPENDITURE			
Purchase of Traded Goods		**105.26**	298.62
Manufacturing and Other Expenses	17	**2,455.54**	1,449.79
Interest (net)	18	**304.12**	131.83
Depreciation / Amortisation		**233.50**	161.96
PROFIT BEFORE TAX		**284.99**	297.59
Provision for Tax – Current tax		**(32.98)**	(33.67)
– MAT credit entitlement		**28.65**	4.12
– Deferred tax		**(89.90)**	(68.13)
– Fringe Benefit tax		**(1.75)**	(1.25)
(Short) provision for Income Tax in respect of earlier years		**(0.74)**	-
PROFIT AFTER TAX		**188.37**	198.66
Add : Balance brought forward from previous year		**296.20**	216.18
AMOUNT AVAILABLE FOR APPROPRIATION		**484.57**	414.84
APPROPRIATIONS			
Add / (Less) : Excess / (Short) provision of Dividend [including tax on dividend Rs. 0.02 crores (previous year Rs.0.03 crore) of earlier year (Refer Note No.16 of Part B of Schedule 19)]		**0.17**	0.19
Less : Transfer to General Reserve		**-**	(19.00)
Transfer to Debenture Redemption Reserve		**(190.83)**	(73.55)
Proposed Dividend			
- On Equity Shares		**(14.77)**	(22.46)
Corporate Dividend Tax thereon		**(2.51)**	(3.82)
BALANCE CARRIED TO BALANCE SHEET		**276.63**	296.20
EARNINGS PER SHARE(in Rs.) (Refer Note No.11 of Part B of Schedule 19)			
Basic		**9.64**	11.40
Diluted: Before considering effect of Right Issue		**8.35**	8.93
After considering effect of Right Issue		**3.49**	-
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	19		

As per our attached report of even date

For Gandhi & Parekh
Chartered Accountants

Devang B. Parekh
Partner

Place: Mumbai
Dated: 29 July 2009

For and on behalf of the Board

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

Place: Mumbai
Dated: 29 July 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

(Rs. Crore)

	PARTICULARS	Year Ended 31 MAR 2009	Year Ended 31 MAR 2008
A]	**Cash Flow from Operating Activities**		
	Net Profit Before Tax	**284.99**	297.59
	Adjustments for		
	Depreciation /Amortisation	**233.50**	161.96
	Unrealised gain on Cash and cash eqivalent	**-**	(0.28)
	Excess of cost over Fair Value of current Investments	**0.68**	0.04
	Dividend Income	**(0.17)**	(0.30)
	Interest Paid (net)	**304.12**	131.83
	(Profit) / Loss on sale of fixed assets (net)	**(1.74)**	(3.13)
	(Profit)/Loss on sale of Current Investments (net)	**2.24**	(0.19)
	Operating Profit before working capital changes	**823.61**	587.53
	Adjustments for		
	Increase in Inventories	**(256.26)**	(223.12)
	Increase in Trade Receivables	**(276.48)**	(63.19)
	Increase in Loans and Advances	**(80.71)**	(186.93)
	Increase in Current Liabilities	**0.89**	184.84
	Cash Generated from operations	**211.05**	299.13
	Income Taxes Paid	**(37.11)**	(48.06)
	Net Cash generated from operating activities	**173.94**	251.07
B]	**Cash Flow from Investing Activities**		
	Purchase of fixed assets	**2,310.31**	(1,623.89)
	Sale of fixed assets	**8.68**	157.56
	Purchase of Investments	**219.69**	(56.48)
	Sale of Investments	**157.64**	85.09
	Margin Money Deposit matured/(placed)	**62.91**	98.64
	Dividend Received	**0.17**	0.30
	Interest Received	**66.43**	110.99
	Share Application Money (given)/received back	**199.52**	(427.93)
	Inter Corporate Deposit (Granted) / Refunded - Net	**3.35**	(5.81)
	Net Cash used in Investing Activities	**(2,031.35)**	(1,661.53)
C]	**Cash Flow from Financing Activities**		
	Proceeds from issue of Equity Share Capital (including premium) (Net)	**-**	9.52
	Issue / (conversion) of Warrants	**-**	110.16
	Share Application Money received (net)	**137.50**	-
	Proceeds from borrowings (net)	**817.85**	2,544.16
	Dividend Paid (Including Tax thereon)	**(26.11)**	(27.71)
	Interest Paid	**(337.71)**	(238.87)
	Net Cash used from Financing activities	**591.53**	2,397.26
	Net Increase/(Decrease) Cash and Cash equivalents (A+B+C)	**(1,265.88)**	986.80
	Cash and Cash equivalents		
	at the beginning of the year	**1,543.45**	556.65
	at the end of the year	**277.57**	1,543.45
	Net Increase/(Decrease) in Cash and Cash equivalents	**(1,265.88)**	986.80

Cash and Cash Equivalents

1 Components of Cash and Cash Equivalents include Cash and Bank Balances in Current, Cash Credit and Fixed deposits Accounts.

2 Proceeds from borrowings reflect the increase in Secured and Unsecured Loans and is net of repayments

3 Purchases of fixed assets are stated inclusive of movements of Capital Work in Progress between the commencement and end of the year and are considered as part of investing activity.

(Rs. Crore)

4 Cash and Cash equivalents includes:	YEAR ENDED 31 MAR 2009	YEAR ENDED 31 MAR 2008
Cash and Bank Balances	344.95	1,673.74
Less: Margin Money Deposits *	67.38	130.29
Total Cash and Cash equivalents	277.57	1,543.45

* Margin money being restricted for its use have been excluded from cash and cash equivalent and grouped under the investment activity, including for the previous year.

As per our attached report of even date

For Gandhi & Parekh
Chartered Accountants

Devang B. Parekh
Partner

Place: Mumbai
Dated: 29 July 2009

For and on behalf of the Board

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

Place: Mumbai
Dated: 29 July 2009

(Rs. Crore)

PARTICULARS	AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '1'		
CAPITAL		
Authorised :		
65,00,00,000 (Previous Year 27,50,00,000) Equity Shares of Rs.10/- each	**650.00**	**275.00**
NIL (Previous Year 2,50,00,000) Preference shares of Rs.10/- each	**-**	**25.00**
	650.00	300.00
Issued and Subscribed :		
Equity Share Capital		
19,69,74,969 (Previous Year 18,71,74,969) Equity shares of Rs.10/- each fully paid up	**196.97**	187.17
TOTAL	**196.97**	187.17

NOTES :

a) During the year 98,00,000 (previous year 168,02,995) equity shares are issued as under:

i] Nil (previous year 1,58,69,202) equity shares of Rs.10/- each are issued on conversion of Nil (previous year 459), 1% Foreign Currency Convertible Bonds (FCCBs) of USD 50000/- each together with interest at a premium aggregating to Rs. Nil (previous year Rs. 97.74 crore).

ii] Nil (previous year 933,793) equity shares of Rs. 10/- each are issued on preferential allotment to promoter group at a premium aggregating to Nil (previous year Rs. 8.59 crore)

iii] 98,00,000 (previous year Nil) Equity shares of Rs. 10/- each are issued on conversion of 98,00,000 warrants to promoters at a premium of Rs. 90.16 crore (previous year Nil).

b) Of the above shares :

i] 745,396 equity shares were allotted as Bonus shares by way of capitalisation of General Reserve.

ii] 62,550 equity shares being forfeited shares were reissued during 2001.

(Rs. Crore)

PARTICULARS		AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '2'			
RESERVES AND SURPLUS			
Capital Reserve			
Balance as per last Balance Sheet		**0.03**	0.03
Capital Redemption Reserve			
Balance as per last Balance Sheet		**2.20**	2.20
Securities premium account			
Balance as per last Balance Sheet	**506.80**		400.47
Add : Received during the year	**90.16**		106.33
		596.96	506.80
General Reserve			
Balance as per last Balance Sheet	**215.04**		195.00
Add : Transferred from Profit and Loss Account	**-**		19.00
Add : Transfer from Foreign Currency Monetary Item Revaluation Reserve (Refer Note No. 23 of Part B of Schedule 19)	**14.95**		-
Add : Transitional provision adjustment-employee benefits (Net of deffered tax) (refer Note no.12 of Part B of schedule 19)	**-**		1.04
		229.99	215.04
Debenture Redemption Reserve			
Balance as per last Balance Sheet	**113.75**		40.20
Add: Transferred from Profit and Loss Account	**190.83**		73.55
		304.58	113.75
Surplus in Profit and Loss Account		**276.63**	296.20
TOTAL		**1,410.39**	1,134.01

(Rs. Crore)

PARTICULARS		AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '3'			
SECURED LOANS			
a. Debentures			
9.30% Redeemable Non Convertible Debentures	-		20.00
10.00% Redeemable Non Convertible Debentures	-		120.00
10.15% Redeemable Non Convertible Debentures	-		40.00
10.25% Redeemable Non Convertible Debentures	100.00		100.00
10.75% Redeemable Non Convertible Debentures	-		20.00
13.00% Redeemable Non Convertible Debentures	315.00		-
		415.00	300.00
b. Term Loans			
(1) From Financial Institutions			
- Rupee Loans	158.00		171.85
- Foreign Currency Loans	228.53		108.30
	386.53		280.15
(2) From Banks			
- Rupee Loans	4,224.32		3,238.87
- Foreign Currency Loans	527.27		425.94
	4,751.59		3,664.81
		5,138.12	3,944.96
c. From Banks on Cash Credit Accounts, Working capital demand loans etc.		699.16	572.85
[Including Rs. 146.74 crore demand loan in foreign currency (Previous year Rs. 139.81 crore)]			
d. Loans under Hire purchase/Lease Arrangements		3.96	6.34
TOTAL		6,256.24	4,824.15

Notes

1 Debentures are secured by :

	PARTICULARS	Nos	Date of redemption
a)	Debentures redeemed during the year		
	10.15% Redeemable Non convertible Debentures of Rs. 1,00,000/- each	2,000	26-Sep-08
	10.00% Redeemable Non convertible Debentures of Rs. 10,00,000/- each	650	25-Aug-08
	10.00% Redeemable Non convertible Debentures of Rs. 10,00,000/- each	100	10-Sep-08
	10.15% Redeemable Non convertible Debentures of Rs. 1,00,000/- each	2,000	01-Oct-08
	9.30% Redeemable Non convertible Debentures of Rs. 1,00,000/- each	2,000	03-Nov-08
	10.00% Redeemable Non convertible Debentures of Rs. 1,00,000/- each	4,500	17-Dec-08
	10.25% Redeemable Non convertible Debentures of Rs. 1,00,000/- each	5,000	12-Dec-08
	10.25% Redeemable Non convertible Debentures of Rs. 1,00,000/- each	5,000	01-Jan-09
	10.75% Redeemable Non convertible Debentures of Rs. 1,00,000/- each	2,000	18-Mar-09
	10.25% Redeemable Non convertible Debentures of Rs. 1,00,000/- each	10,000	27-Mar-09
b)	Debentures outstanding at the year end are redeemable as follows		
	10.25% Redeemable Non convertible Debentures of Rs. 1,00,000/- each	10,000	09-Apr-09
	13.00% Redeemable Non convertible Debentures of Rs. 100/- each	10,000,000	31-Jul-09
	13.00% Redeemable Non convertible Debentures of Rs. 100/- each	15,000,000	07-Aug-09
	13.00% Redeemable Non convertible Debentures of Rs. 100/- each	6,500,000	31-Aug-09
c)	All the debentures in a) and b) above are / were secured by pari passu charge on the immovable property situated at Mouje Irana, Taluka Kadi, District Mehsana in the state of Gujarat		

2 Term loans are secured as under :

a) Term loans from financial institutions and from banks (Including foreign currency loans) to the extent of Rs. 175.15 crore (previous year Rs. 202.41 crore) and Rs. 2,833.54 crore (previous year Rs. 2689.29 crore) respectively, are secured by (i) a pari passu first charge created/to be created on all present and future movable and immovable assets of the company subject to exclusive charges created/to be created on specific fixed assets in favour of specified lenders. (ii) a charge created/ to be created on all current assets of the company subject to a prior charge on such current assets created/to be created in favour of the company's bankers towards working capital requirements and (iii) the personal guarantees of three promoter directors.

b) Term loan from banks to the extent of Rs. 176.78 crore (previous year Rs. 152.81 crore) is secured by (i) an exclusive charge created on specific assets financed by them and (ii) the personal guarantees of three promoter directors.

c) Term loans from Financial Institutions and from banks to the extent of Rs. 408.91 crore (previous year Rs. 225.21 crore) and Rs. 84.00 crore (previous year Rs. 77.74 crore) respectively, are secured by (i) subservient charge on all movable assets of the Company present and future subject to prior charge on specific movable assets in favour of the company's term lenders and towards working capital requirements (ii) the personal guarantee of three Promoter Directors of the Company.

d) Term loans from the Banks to the extent of Rs. 18.88 crore (previous year Rs. 15.58 crore) are secured by (i) subservient charge on all assets of the Company excluding Land and Building (ii) Pledge of company's investment in a subsidiary viz. Alok Industries International Limited (iii) the personal guarantee of three Promoter Directors of the Company.

e) Term loan from the Bank to the extent of Rs. 1,313.48 crore (previous year Rs. 581.92 crore) , are secured by subservient charge on all present and future moveable fixed assets, stocks and receivables of the Company subject to prior charge in favour of the company's term lenders and working capital bankers.

f) Term loan from Financial Institution of Rs. 127.38 crore (previous year Rs. Nil) crore is secured by (i) subservient charge on all the present and future moveable fixed assets of the company except land and building

3 Working Capital limits from banks are secured by (i) hypothecation of Company's inventories, book debts etc. (ii) second charge created / to be created on the fixed assets of the Company (iii) immovable properties belonging to the Company / group companies and (iv) the personal guarantees of three promoter directors of the Company.

4 Hire Purchase Loans are secured by the respective assets, mainly Plant and Machinery and Equipments, purchased under the said loans.

(Rs. Crore)

PARTICULARS		AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '4'			
UNSECURED LOANS			
(a) Term Loans and Advances			
From Banks and Financial Institutions			
- Rupee Loans	**218.03**		829.98
- Foreign currency loans	**1.07**		18.31
		219.10	848.29
(b) 475 (previous year 475) 1% Foreign Currency Convertible Bonds (FCCBs) (See Note no. 7 of Part B of Schedule 19)		**121.01**	94.87
TOTAL		**340.11**	943.16

NOTES:

1. Term Loans from banks

a) Includes commercial paper of Rs. Nil (Previous year Rs. Nil) maximum amount outstanding at any time during the year Nil (Previous year Rs. 110.00 crore)

b) To the extent of Rs. 114.99 crore (Previous year Rs. 159.99 crore) are secured by Personal Guarantee of three Promoter Directors

2. Short term foreign currency loan Nil (Previous year Rs. 15.01 crore) from Banks are secured by (i) personal guarantee of three Promoter Directors and (ii) power of attorney to create first charge on the fixed assets of the Company in case of default.

SCHEDULE '5'
FIXED ASSETS

(Rs. Crore)

SR. NO.	DESCRIPTION OF ASSETS	GROSS BLOCK AS AT 1 APR 2008	ADDITIONS	DEDUCTIONS/ ADJUSTMENTS	AS AT 31 MAR 2009	DEPRECIATION AS AT 1 APR 2008	FOR THE YEAR	DEDUCTIONS/ ADJUSTMENTS	AS AT 31 MAR 2009	NET BLOCK AS AT 31 MAR 2009	AS AT 31 MAR 2008
	OWN ASSETS:										
1	Freehold Land	38.44	19.69	-	58.13	-	-	-	-	58.13	38.44
2	Leasehold Land	0.56	-	-	0.56	0.11	0.01	-	0.12 *	0.44	0.45
3	Factory Building	718.22	319.06	-	1,037.28	48.50	26.74	-	75.24	962.04	669.72
4	Office Premises	26.54	-	-	26.54	1.41	0.43	-	1.84	24.70	25.13
5	Plant and Machinery	2,421.15	793.07	1.65	3,212.57	395.16	190.20	0.76 **	584.60	2,627.97	2,025.99
6	Computer and Peripherals	17.56	4.69	0.26	21.99	7.50	2.91	0.19	10.22	11.77	10.06
7	Office Equipment	5.94	1.83	0.01	7.76	1.30	0.46	-	1.76	6.00	4.63
8	Furniture and Fittings	37.46	14.41	6.07	45.80	7.67	2.62	0.32	9.97	35.83	29.79
9	Vehicles	\5.43	0.05	0.28	5.20	1.93	0.50	0.13	2.30	2.90	3.50
10	Tools and Equipment	19.93	16.19	-	36.12	2.04	1.62	-	3.66	32.46	17.89
	Sub -Total	3,291.23	1,168.99	8.28	4,451.95	465.62	225.49	1.40	689.71	3,762.24	2,825.61
	LEASED ASSETS :										
1	Plant and Machinery	22.38	-	-	22.38	6.24	1.65	-	7.89	14.49	16.14
2	Computer and Peripherals	0.22	-	-	0.22	0.19	0.01	-	0.20	0.02	0.03
	Sub - Total	22.60	-	-	22.60	6.43	1.66	-	8.09	14.51	16.17
	INTANGIBLE ASSETS										
1	Computer Software	2.86	1.99	-	4.85	0.57	0.85	-	1.42	3.43	2.29
2	Trademarks / Brands	55.04	-	-	55.04	4.13	5.50	-	9.63	45.41	50.91
	Sub - Total	57.90	1.99	-	59.89	4.70	6.35	-	11.05	48.84	53.20
	Total	3,371.73	1,170.97	8.28	4,534.44	476.75	233.50	1.40	708.85	3,825.59	2,894.98
	TOTAL PREVIOUS YEAR	2,345.73	1,236.05	210.05	3,371.73	370.40	161.96	55.61	476.75	2,894.98	

Notes :

1. Plant and Machinery acquired on lease includes Rs.8.12 crore (Previous year Rs. 8.12 crore) incurred by company for installation etc.
2. Plant and Machinery includes Rs. 166.46 crore (Previous year Rs. Nil) being increase in liability payable in foreign currency consequent upon changes in the exchange rates.
3. Intangible assets consisting of Trade Marks / Brands aggregating to Rs. 55.04 crore (Previous year Rs. 55.04 crore) (Gross) [Written down value Rs. 45.42 crore (Previous year Rs. 50.91 crore)] which are registered in the name of subsidiary company in trust on behalf of the Company. The Company is taking necessary steps to get these Trade Marks/ Brands registered in its name.

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

   ** Includes Rs. 0.11 crore depreciation on Exchange Rate Differnce capitalised for the financial year 07-08 and debited to General Reserve

SCHEDULES

(Rs. Crore)

PARTICULARS	AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '6'		
CAPITAL WORK IN PROGRESS		
Capital Expenditure On Projects	**1,795.02**	915.50
Advance for Capital Expenditure	**363.25**	80.82
TOTAL	**2,158.27**	996.32

Capital expenditure incurred on Projects includes :

i) Rs. 75.50 crore (Previous year Rs. 20.69 crore) on account of pre-operative expenses (Refer Note No. 9 of part B of schedule 19)

ii) Rs. 1719.52 crore (Previous year Rs. 894.81 crore) on account of cost of construction material and plant and machinery under erection.

(Rs. Crore)

PARTICULARS	AS AT 31 MAR 2009		AS AT 31 MAR 2008
SCHEDULE '7'			
INVESTMENTS			
A) LONG TERM INVESTMENTS			
(At cost / carrying amount unless otherwise stated) - fully paid			
In Equity shares			
In Subsidiary Companies - Unquoted (Trade)			
Alok Inc.			
[50 Equity Shares of USD 200 each]	**0.04**		0.04
Alok Industries International Limited [50,000 Equity Shares of USD 1 each]	**0.22**		0.22
(Pledged against finance availed)			
Alok International Inc. (Rs. 43,225/-) (Previous year Rs. Nill) [1,000 (Previous Year Nil) Equity Shares of USD 1/- each]	**-**		-
Alok Apparels Private Limited [10,00,000 (Previous Year Nil) Equity Shares of Rs.10/- each]	**1.00**		1.00
Amigo Sports Private Limited	-		0.05
(Formerly known as Alok Clothing Private Limited)			
[Nill (Previous Year 50,000) Equity Shares of Rs. 10/- each]			
Alok Retail (India) Limited			
(Formerly known as Alok Homes & Apparel Private Limited)	**0.05**		0.05
[50,000 (Previous year Nil) Equity Shares of Rs.10/- each]			
Alok Land Holdings Private Limited [5,00,000 (Previous Year 2,50,000l) Equity Shares of Rs.10/- each]	**0.50**		0.25
Alok Infrastructure Limited [50,000 Equity Shares of Rs.10/- each]	**0.05**		0.05
		1.87	**1.66**
In Joint Venture			
Aurangabad Textiles & Apparel Parks Limited * [10,19,200(Previous Year Nil) Equity Shares of Rs.10/- each]	**15.50**		-
New City Of Bombay Mfg. Mills Limited* [44,93,300 (Previous Year Nil) Equity Shares of Rs.10/- each]	**71.50**		-
* Share Certificate not yet received		**87.00**	-
Others - Unquoted (Trade)			
Shirt Company (India) Limited[1,00,000 (Previous year 2,33,333) Equity Shares of Rs.10/- each]	**0.50**		3.50
Dombivali Nagri Sahakari Bank Limited[10,000 Equity Shares of Rs. 50/- each]	**0.05**		0.05
Kalyan Janata Sahakari Bank Limited[10,000 Equity Shares of Rs. 25/- each]	**0.03**		0.03
		0.58	3.58
Others - Quoted (Trade)			
Grabal Alok Impex Limited [19,00,000 Equity Shares of Rs.10/- each] (Pledged against finance availed)		**3.99**	3.99
In Preference Shares			
In Subsidiary Company - Unquoted (Trade)			
Alok Industries International Limited[1%, 9,09,27,170 (Previous year 50,74,240) cumulative redeemable preference shares of USD 1 each] Redeemable after 10 years from the date of allotment with a put & call option at the end of each year (50,74,240 shares Pledged against finance availed)		**367.90**	22.05

(Rs. Crore)

PARTICULARS		AS AT 31 MAR 2009	AS AT 31 MAR 2008
B) CURRENT INVESTMENTS (At lower of cost or fair value)-fully paid			
In equity shares Quoted			
In Bonds - Unquoted			
Nil (Previous Year 5), 7.50% Bank of India - Series VIII bonds of Rs. 10,00,000/- each	-		0.50
Nil (Previous Year 10), 8.90% Industrial Development Bank Of India Of Rs. 10,00,000/- Each	-		1.00
Nil (Previous Year 100), 7.60% Syndicate Bank - Series IX bonds of Rs. 10,00,000/- each	-		10.00
Nil (Previous Year 30), 9.20% Central Bank of India Tier II Bonds Series XII	-		3.00
Nil (Previous Year 20), 9.25% Dena Bank Non-convertible Redeemable Subordinated Bonds (Tier II Bonds Series IX)	-		2.00
Nil (Previous Year 2) 7.39% Power Grid Corporation Bonds Of Rs. 10,00,000/- Each	-		0.19
Nil (Previous Year 2), 7.10% Power Grid Corporation Bonds Of Rs. 10,00,000/- Each	-		0.18
		-	16.87
In Debentures - Unquoted			
Nil (Previous Year 1) 7.40% Non Convertible Debentures of Mahindra & Mahindra Finance Limited of Rs. 10,00,000/- each	-		0.10
Nil (Previous Year 1) 7.50% Non Convertible Debentures of Mahindra & Mahindra Finance Limited of Rs. 10,00,000/- each	-		0.10
Nil (Previous Year 1) 7.50% Non Convertible Debentures of Citicorp Finance (India) Limited of Rs. 10,00,000/- each	-		0.10
		-	0.30
In Mutual Funds - Unquoted			
Canbank Fixed Maturity Plan - Growth	-		2.00
[Nil (Previous year 20,00,000) units of Rs.10/- each]			
SBI Magnum Insta Cash Fund-Daily Dividend Option	**0.00**		0.00
[1,372.31 (Previous Year 1,288.32) units of Rs. 10/- each Rs. 22,986.09/- (Previous year Rs. 21,580/-)]			
Principal PNB Long Term Equity Fund 3 Year Plan - Series II	**0.56**		1.22
[12,50,000 units of Rs.10/- each]			
Axis Infrastructure Fund 1	**5.70**		-
[56,933.33 (Previous year Nil) units of Rs. 1000/- each]			
Mirea Asset Gilt Fund Investment Plant - Institutional Growth	**0.98**		-
[9,86,679.822 (Previous year Nil) units of Rs. 10/- each]			
Birla Sun Life Saving Fund - Inst-Monthly Dividend - Reinvestment**1.00**		-	
[9,89,594.575 (Previous year Nil) units of Rs. 10/- each]			
		8.24	3.22
		469.58	**51.66**
C) Share Application Money (To Subsidiary Companies)			
Alok Industries International Limited	-		322.02
Alok Apparels Private Limited	**9.00**		9.00
Alok Infrastructure Private Limited	-		191.60
Alok Land Holdings Private Limited	**-**		7.92
		9.00	530.54
Others			
Aurangabad Textiles & Apparel Parks Limited	**-**		6.50
New City of Bombay Mfg. Mills Limited	**-**		30.25
			36.75
TOTAL		**478.58**	618.96
1) Quoted Investment : Aggregate cost / carrying value		**3.99**	3.99
: Aggregate market value		**8.73**	18.24
2) Unquoted Investment: Aggregate cost / carrying value		**378.59**	47.68

PARTICULARS	Nos.	Face Value Rs. per Unit/ Share /Bond	Purchase Cost (Rs. Crore)
Investments bought and sold during the year			
Bonds			
7.39% Power Grid Corporation Bonds	3.00	1,000,000.00	0.29
7.10% Power Grid Corporation Bonds	2.00	1,000,000.00	0.19
8.98% National Region Planning Board	1.00	1,000,000.00	0.10
9.80% Citi Financial Consumer Finance	1.00	1,000,000.00	0.11
8.73% Power Grid Corporation	6	1,250,000.00	0.77
7.25% ICICI Bank Limited	1	1,000,000.00	0.10
6.00% ICICI Bank Limited	200	5,000.00	0.10
6.00% Bajaj Auto Finance Ltd	1	1,000,000.00	0.10
9.24% L&T Finance Ltd	1	1,000,000.00	0.10
9.45% Citi Financial Consumer Finance Ltd.	1	1,000,000.00	0.11
8.49% Power Finance Corporation	1	1,000,000.00	0.10
Debentures			
7.75% Non Convertible Debentures of Mahindra & Mahindra Finance Limited	1	1,000,000.00	0.10
Mutual Fund Units			
LIC MF Liquid Fund -Growth Plan	16,913,262.03	10.00	25.00
LIC MF Floating Rate Fund	18,619,893.49	10.00	25.00
SBI Premium Liquid Fund - Growth	748,934.64	10.00	1.00
LIC MF Liquid Fund -Growth Plan	16,461,880.87	10.00	25.00
LIC MF Liquid Fund -Growth Plan	9,824,405.13	10.00	15.00
Edelweiss Liquid Fund	1,000,000.00	10.00	1.00
LIC MF Liquid Fund -Growth Plan	16,297,155.82	10.00	25.00
Baroda Pioneer Mutual Fund	658,514.26	10.00	1.00
DBS Chola Fixed Maturity Plan-Series-11	5,000,000.00	10.00	5.00
SBI Debt Fund Series 90 Days 28-Growth	500,000	10.00	0.50
Mirage Asset Liquid Fund Institutional Growth Option	47,610	1,000.00	5.00
LIC MF Liquid Fund -Growth Plan	6,473,455.60	10.00	10.00

(Rs. Crore)

PARTICULARS		AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '8'			
INVENTORIES [At Cost or Net Realisable value whichever is lower]			
Stores, Spares, Packing Materials and others		**25.33**	18.81
Stock-In-trade :			
Raw Materials	**126.19**		262.12
Process Stock	**552.20**		231.22
Finished Goods / Traded Goods	**240.12**		175.43
		918.51	668.77
TOTAL		**943.84**	687.58

(Rs. Crore)

PARTICULARS	AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '9'		
SUNDRY DEBTORS (Unsecured)		
Debt outstanding for a period exceeding six months	**16.58**	**38.27**
Other Debts	**871.51**	**573.10**
Gross	**888.09**	**611.37**
Less : Provision	**3.90**	**3.66**
TOTAL	**884.19**	**607.71**
Considered Good	**884.19**	**607.71**
Considered Doubtful	**3.90**	**3.66**
TOTAL	**888.09**	**611.37**

Note: Sundry debtors includes Rs. 19.38 Crore (Previous year Rs. 35.71 Crore) towards contractual obligations on account of Export Incentives Receivable.

(Rs. Crore)

PARTICULARS	AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '10'		
CASH AND BANK BALANCES		
Cash on Hand	**0.35**	0.28
Bank Balances :		
a) With Scheduled Banks		
- In Cash Credit Accounts	**1.86**	5.36
- In Current Accounts	**78.42**	11.64
- In Deposits Accounts [including interest accrued thereon Rs. 0.88 crore (previous year Rs. 17.09 crore)]	**95.02**	1,486.21
- In Margin Money Deposits	**67.38**	130.29
b) With Others		
- In Current Account	**76.44**	0.01
- In Deposit Accounts	**25.48**	39.95
[Maximum amount outstanding at any time during the year Rs. 60.20 crore (Previous year Rs. 89.96 crore)]		
TOTAL	**344.95**	1,673.74

Cash and Bank Balance includes

1) Rs. 92.63 crore (Previous Year Rs. 864.78 crore) kept in bank deposits, pending utilisation towards project.
2) Rs. 26.57 crore (Previous Year Rs. 87.49 crore) towards 100% LC margin against import of Plant & Machinery.

(Rs. Crore)

PARTICULARS	AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '11'		
LOANS AND ADVANCES		
[Unsecured, considered good]		
Advances recoverable in cash or kind or for value to be received	**449.59**	364.00
Loans - Inter Corporate Deposits	**8.65**	12.00
Deposits	**4.88**	9.71
Balances with Central Excise Collectorate	**0.13**	0.18
Advance Tax (Net of Provision for tax)	**15.82**	17.38
MAT Credit Entitlement (Refer Note No. 15 of part B of schedule 19)	**33.88**	5.23
TOTAL	**512.95**	408.50

Loans and Advances includes:

a) Rs. 93.72 crore (previous year Rs. 58.19 crore) towards Modvat credit balances to be utilised in the subsequent years
b) Rs. 141.58 crore (previous year Rs. 123.16 crore) towards interest / capital subsidy receivable under the TUF scheme of Government of India
c) Rs. 1.98 crore (previous year Rs. 7.86 crore) being deposits towards office/residential premises taken on rental basis
d) Rs. 0.22 crore (previous Year Rs. 0.33 crore) due from officers of the Company [maximum amount outstanding during the year Rs. 0.33 crore (Previous year Rs. 0.43 crore)]
e) Rs. 80.63 crore (previous year Rs. 90.74 crore) towards insurance claim receivable (See Note No. 19 of part B of schedule 19)

(Rs. Crore)

PARTICULARS		AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '12'			
CURRENT LIABILITIES			
Sundry Creditors [including Acceptances Rs. 104.13 crore, (Previous year Rs. 139.88 crore)]			
Total Outstanding dues to :			
- Micro Enterprises & Small Enterprises*	**0.29**		0.31
- Creditors other than Micro Enterprises & Small Enterprises	**367.02**		396.53
		367.31	396.84
Unclaimed Dividend		**0.44**	0.38
Interest Accrued but not due on loans		**58.03**	25.20
Advance from customers		**45.62**	19.75
TOTAL		**471.40**	442.17

*** As per information available with the Company.**

Notes:

1) Sundry Creditors includes Rs. 0.63 crore (previous year Rs. 0.01 crore) being overdrawn bank balances as per books consequent to issue of cheques at the year end though the banks have positive balances as on that date

SCHEDULES

(Rs. Crore)

PARTICULARS	AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '13'		
PROVISIONS		
Provision for Gratuity and Compensated Absences	**9.76**	5.27
Proposed Dividend	**14.77**	22.46
Provision for Tax on Dividend	**2.51**	3.82
Provision for Taxation (Net of Advance tax)	**1.75**	4.94
TOTAL	**28.79**	36.49

(Rs. Crore)

PARTICULARS		AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '14'			
SALES			
Sales – Local	**1,945.22**		1,182.39
Sales – Export	**988.77**		993.72
		2,933.99	2,176.11
Export Incentive		**65.74**	43.17
TOTAL		**2,999.73**	2,219.28

(Rs. Crore)

PARTICULARS		AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '15'			
OTHER INCOME			
Dividend Income :			
On Long Term Investment	**0.15**		0.27
On Current Investment	**0.02**		0.03
		0.17	0.30
Miscellaneous Income		**17.43**	10.51
Profit on sale of Current Investments (Net)		**-**	0.19
Profit on sale of Assets (Net)		**1.74**	3.13
Exchange Rate difference (Net)		**-**	50.14
Provision for Doubtful Debts written back		**1.39**	3.24
Sundry Credit Balances written back		**0.08**	0.43
TOTAL		**20.81**	67.94

(Rs. Crore)

PARTICULARS		AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '16'			
INCREASE IN STOCK OF FINISHED GOODS AND PROCESS STOCK			
CLOSING STOCK AS ON 31 MARCH 2009			
Finished Goods / Traded Goods	**240.12**		175.43
Process Stock	**552.20**		231.22
		792.32	406.65
			-
LESS: OPENING STOCK AS ON 1 APRIL 2008			
Finished Goods / Traded Goods	**175.43**		130.34
Process Stock	**231.22**		174.87
		406.65	305.21
TOTAL		**385.67**	101.44

Note: Excludes inventory amounting to Rs. Nil (previous year Rs. 41.73 crore) destroyed due to fire (refer note no.18 of part B of Schedule 19)

(Rs. Crore)

PARTICULARS		AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '17'			
MANUFACTURING AND OTHER EXPENSES			
Raw Material Consumed		**1,740.58**	924.53
Payment to and Provisions for Employees :			
Salaries, Wages and Bonus	**102.56**		71.12
Contribution to Provident Fund and Other Funds	**4.20**		2.68
Employees Welfare Expenses	**3.49**		4.21
		110.25	78.01
Operational and Other Expenses			
Stores and Spares Consumed		**49.17**	32.70
Packing Materials Consumed		**42.09**	35.28
Power and Fuel		**211.89**	121.55
Processing Charges		**27.90**	31.62
Labour Charges		**28.00**	20.77
Excise Duty		**3.49**	5.20
Donation		**1.15**	1.83
Freight ,Coolie & Cartage		**46.23**	53.16
Legal and Professional Fees		**14.76**	5.97
Rent		**15.73**	8.53
Rates and Taxes		**4.49**	2.62
Repairs and Maintenance			
- Plant and Machinery	**5.53**		3.29
- Factory Building	**0.94**		0.77
- Others	**3.03**		2.84
		9.50	6.90
Commission on Sales		**16.02**	10.64
Exchange Rate difference (Net)		**4.55**	-
Provision for Doubtful Debts		**1.63**	3.04
Loss of assets due to fire (Refer Note No. 19 of part B of schedule 19)		**-**	9.11
Directors Remuneration		**7.20**	5.60
Directors Fees and Commission		**5.09**	5.04
Auditors Remuneration			
- Audit Fees	**0.26**		0.16
- Tax Audit Fees	**0.02**		0.01
- Certification Fees	**0.01**		0.02
		0.29	0.19
Insurance		**5.88**	3.51
Loss on Sale of Investments (net)		**2.24**	-
Excess of Cost over Fair value of current Investments		**0.68**	0.04
Miscellaneous Expenses		**106.73**	83.95
[Miscellaneous Expenses includes Printing and Stationery, Bank Charges, Advertisement, Bill Discounting Charges etc.]			
TOTAL		**2,455.54**	1,449.79

SCHEDULES

(Rs. Crore)

PARTICULARS		AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '18'			
INTEREST (NET)			
Interest Paid :			
On Debentures	**65.04**		16.33
On Fixed Loan	**181.07**		140.49
[Net of Interest Subsidy Rs. 142.46 crore (Previous year Rs. 119.19 crore)]			
On Cash Credit Accounts etc	**124.43**		86.00
		370.54	242.82
Less : Interest Received on Loans, Deposits etc		**66.42**	110.99
(Tax Deducted at Source Rs. 19.49 crore [Previous year Rs. 19.30 crore])			
TOTAL		**304.12**	131.83

SCHEDULE '19'

A) SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

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

2. Use of Estimates

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

3. Revenue Recognition

a) Revenue on sale of products is recognised when the products are dispatched to customers, all significant contractual obligations have been satisfied and the collection of the resulting receivable is reasonably expected. Sales are stated net of trade discount, returns and sales tax collected.

b) Revenue in respect of insurance/other claims, interest etc. is recognised only when it is reasonably certain that the ultimate collection will be made.

4. Fixed Assets

a) **Own Assets:**

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

b) **Assets taken on lease**:

1) **Finance Lease:**

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

2) **Operating Lease:**

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

5. Investments

Investments classified as Long Term Investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of investments. Current investments are carried at cost or fair value whichever is lower.

6. Capital Work- in-Progress

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

7. Depreciation / Amortisation

a) Depreciation on Fixed Assets is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

b) Cost of leasehold land is amortised over the period of lease.

c) Trade marks are amortised over a period of ten years from the date of capitalization

d) Computer software is amortised for a period of five years from the date of capitalization.

8. Foreign Currency Transactions

a) Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

b) Monetary items denominated in foreign currency are restated using the exchange rate prevailing at the balance sheet date and hitherto, the resultant exchange differences were recognized in profit and loss account. Pursuant to the notification of the Companies (Accounting Standards) Amendment Rules 2006 issued on 31 March 2009, which amended Accounting Standard 11 on The Effects of Changes in Foreign Exchange Rates, exchange differences relating to long term monetary items are dealt with in the following manner:

i. Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to / deducted from the cost of the asset and depreciated over the balance life of the asset.

ii. In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised to the profit and loss account over the balance life of the long-term monetary item, however that the period of amortisation does not extend beyond 31 March 2011. (Refer Note 23 of Part B of schedule 19).

iii. Exchange differences relating to long-term monetary items that have been recognised in the Profit and Loss Account during the previous year ended 31 March 2008 have been reversed from the opening balance of General Reserve and accounted for in accordance with (i) and (ii) above.

iv. All other exchange differences are dealt with in the profit and loss account.

v. Non-monetary items denominated in foreign currency are carried at historical cost.

c) Exchange difference relating to long term foreign currency monetary items, to the extent they are used for financing the acquisition of fixed assets are added to or subtracted from the cost of such fixed assets and the balance accumulated in 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the balance term of the long term monetary item or 31 March 2011 whichever is earlier

9. Inventories

Items of Inventories are valued on the basis given below:

1. Raw Materials, Packing Materials, Stores and Spares and Trading goods: at cost determined on First – In – First – Out (FIFO) basis or net realisable value, whichever is lower.

2. Process stock and Finished Goods: At weighted average cost or net realisable values whichever is lower. Cost comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventory to their present location and condition.

10. Employee Benefits (Refer Note No. 12 of Part B of Schedule 19)

a) **Defined Contribution Plan**

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

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

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

c) **Short Term Employee Benefits**

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

11. Accounting of CENVAT credit

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

12. Government Grants

Grants, in the nature of interest subsidy under the Technology Upgradation Fund Scheme (TUFS), are accounted for when it is reasonably certain that ultimate collection will be made. Government grants not specifically related to fixed assets are recognised in the Profit and Loss Account in the year of accrual / receipt.

13. Borrowing Costs

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

14. Income taxes

Tax expense comprises of current tax, deferred tax and fringe benefit tax (FBT). Current tax and deferred tax are accounted for in accordance with Accounting Standard 22 (AS-22) on “Accounting for Taxes on Income”. Current tax is measured at the amount expected to be paid / recovered from the tax authority using the applicable tax rates. Deferred tax assets and liabilities are recognised for future tax consequence attributable to timing difference between taxable income and accounting income that are capable of reversing in one or more subsequent periods and are measured at relevant enacted/ substantively enacted tax rates. At each balance sheet date, the Company reassesses unrealised deferred tax assets to the extent they become reasonably certain or virtually certain of realisation, as the case may be. FBT is recognised in accordance with the relevant provision of Income-tax Act, 1961 and the Guidance Note on FBT issued by ICAI. Minimum Alternate Tax (MAT) credit entitlement is recognised in accordance with the Guidance Note on “Accounting for credit available in respect of Minimum Alternate Tax under the Income-tax Act, 1961” issued by ICAI (Refer note no. 15 of Part B of Schedule 19).

15. Intangible Assets

Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

16. Impairment of Fixed Assets

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

17. Provisions, Contingent Liabilities and Contingent Assets

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

18. Issue Expenses

Expenses incurred in connection with the issue of shares, debentures and Foreign Currency Convertible Bonds, are adjusted against Securities Premium Account.

19. Accounting for Derivatives

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

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

B) NOTES TO ACCOUNTS

1 Contingent Liabilities in respect of

(Rs. Crore)

Sr. No.	PARTICULARS	Current Year	Previous Year
A	Customs duty on shortfall in export obligation in accordance with Exim Policy (The company is hopeful of meeting the export obligation within the stipulated period)	**Amount Unascertained**	Amount Unascertained
B	Pending Litigation	**0.04**	-
C	Guarantees given by banks on behalf of the Company	**47.94**	33.19
D	Corporate Guarantees given to bank for loans taken by Subsidiary Companies	**214.25**	-
E	Bills discounted	**86.45**	22.89

2 Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances)	**87.46**	319.67

3 Related Party Disclosure

a) Name of related parties and nature of relationship

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

1) Name of related parties and description of relationship.

I Associates

Alok Denims (India) Private Limited
Alok Finance Private Limited
Alok Knit Exports Limited
Alok Textile Traders
Ashok B. Jiwrajka (HUF)
Ashok Realtors Private Limited
Buds Clothing Co.
D. Surendra & Co.
Dilip B. Jiwrajka (HUF)
Grabal Alok Impex Limited
Grabal Alok International Limited
Vaibhav Knit Fab
Grabal Alok (UK) Ltd. (Formerly known as Hamsard 2353 Limited)
Gogri Properties Private Limited
Green Park Enterprises
Honey Comb Knit Fabrics
Jiwrajka Associates Private Limited
Jiwrajka Investment Private Limited
Niraj Realtors & Shares Private Limited
Nirvan Exports
Nirvan Holdings Private Limited
Pramatex Enterprises
Pramita Creation Private Limited
Surendra B. Jiwrajka (HUF)
Tulip Textiles
Alspun Infrastructure Limited
Ashford Infotech Private Limited

II Subsidiaries

Alok Inc.
Alok Industries International Limited
Alok Retail (India) Limited (Formerly known as Alok Homes & Apparel Private Limited)
Alok Land Holdings Private Limited
Alok Aurangabad Infratex Private Limited
Alok International Inc.
Alok European Retail s.r.o.
Mileta, a.s.
Alok Infrastructure Limited
Alok Apparels Private Limited
Amigo Sport Private Limited (Formerly known as Alok Clothing Private Limited)
Alok New City Infratex Private Limited
Alok Realtors Private Limited
Alok HB Hotels Private Limited
Alok HB Properties Private Limited

III Joint Venture

Aurangabad Textiles & Apparel Parks Limited
New City of Bombay Mfg. Mills Limited

IV. Key Management Personnel

Ashok B. Jiwrajka
Chandrakumar Bubna
Dilip B. Jiwrajka
Surendra B. Jiwrajka
Alok A. Jiwrajka
} Directors

V Relatives of Key Management Personnel

Prita D. Jiwrajka
S. P. Bubna

2) Nature of transaction with Associates, Subsidiaries, Key Management Personnel and Relative of Key Management Personnel.

(Rs. Crore)

Transaction	Associates	Subsidiary	Joint Venture Companies	Key Management Personnel	Relative of Key Management Personnel	Total
a) Share Application Money						
Balance as at 1 April	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Received During the year	65.20	-	-	27.30	-	92.50
	(-)	(-)	(-)	(-)	(-)	(-)
Balance as at 31March	65.20	-	-	27.30	-	92.50
	(-)	(-)	(-)	(-)	(-)	(-)
b) Loans and Advances						
Balance as at 1 April	-	3.02	-	-	-	3.02
	(0.95)	(0.06)	(-)	(-)	(-)	(1.01)
Granted during year (Net)	-	28.11	-	-	-	28.11
	(-)	(-)	(-)	(-)	(-)	(-)
Received / Adjustment during the year (Net)	-	-	-	-	-	-
	(0.95)	(0.04)	(-)	(-)	(-)	(0.99)
Balance as at 31March	-	31.07	-	-	-	31.07
	(-)	(0.02)	(-)	(-)	(-)	(0.02)
c) Investments						
Balance as at 1April	3.99	23.71	-	-	-	27.70
	(3.99)	(22.36)	(-)	(-)	(-)	(26.35)
Invested during year	-	346.11	87.00	-	-	433.11
	(-)	(1.35)	(-)	(-)	(-)	(1.35)
Balance as at 31March	3.99	369.77	87.00	-	-	460.76
	(3.99)	(23.71)	(-)	(-)	(-)	(27.70)
d) Share Application Money						
Balance as at 1April	-	530.54	-	-	-	530.54
	(-)	(139.36)	(-)	(-)	(-)	(139.36)
Given/(Received) during the year (Net)	-	(175.68)	-	-	-	(175.68)
	(-)	(139.36)	(-)	(-)	(-)	(176.11)
Share Allotted	-	345.85	-	-	-	345.85
	(-)	(391.18)	(-)	(-)	(-)	(391.18)
Balance as at 31 March	-	9.01	-	-	-	9.01
	(-)	(530.54)	-	(-)	(-)	(530.54)
e) Sundry Debtors						
Balance as at 31March	40.87	28.72	-	-	-	69.60
	(17.90)	(0.70)	(-)	(-)	(-)	(18.60)
f) Sundry Creditors						
Balance as at 31March	3.33	15.36	-	-	-	19.09
	(1.70)	(-)	(-)	(-)	(-)	(1.70)
g) Turnover						
Sales of Goods	108.90	49.07	-	-	-	157.97
	(109.85)	(0.78)	(-)	(-)	(-)	(110.63)
h) Expenditure						
Purchase of goods / Job charges	11.55	1.05	-	-	-	12.60
	(4.35)	(0.07)	(-)	(-)	(-)	(4.42)
Purchase of Fixed Assets	-	174.69	-	-	-	174.69
	(0.02)	(134.72)	(-)	(-)	(-)	(134.74)
Rent	-	0.41	-	-	-	0.41
	(0.20)	(-)	(-)	(-)	(-)	(0.20)
Remuneration	-	-	-	12.20	0.28	12.48
	(-)	(-)	(-)	(10.62)	(0.02)	(10.64)
Marketing Service Charges	-	6.72	-	-	-	6.72
	(-)	(1.78)	(-)	(-)	(-)	(1.78)
Interest	0.37	-	-	-	-	0.37
	(0.43)	-	(-)	-	-	(0.43)
i) Dividend Paid	0.69	-	-	-	-	0.69
	(0.80)	(-)	(-)	(-)	(-)	(0.80)
j) Income						
Dividend	0.15	-	-	-	-	0.15
	(0.19)	(-)	(-)	(-)	(-)	(0.19)
Sale of Fixed Assets and Stores & Spares	-	8.14	-	-	-	8.14
	(0.10)	(0.06)	(-)	(-)	(-)	(0.16)
Rent	-	0.44	-	-	-	0.44
	(-)	(0.01)	(-)	(-)	(-)	(0.01)
k) Reimbursement of Rent	-	-	-	-	-	-
	(-)	(0.43)	(-)	(-)	(-)	(0.43)

Note: 1) Related party relationship is as identified by the Company and relied upon by the Auditors.
2) Previous year figures are given in brackets.

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

(Rs. Crore)

Transaction	Current Year Amount		Previous Year Amount
a) Share Application Money			
Received/Adjusted during the year			
Associates			
Niraj Realtors & Shares Private Limited	26.40		-
Jiwrajka Associates Private Limited	15.20	41.60	-
			-
b) Loans and advances			
Received/Adjusted during the year (net)-			
Associates			
Grabal Alok Impex Limited	-		0.80
Subsidiary-			
Alok Industries International Limited	-		0.03
Alok Inc.	-		0.02
		-	0.05
Granted during the year (Net) -			
Subsidiary-			
Alok Retail (India) Limited	7.19		-
Alok Apparels Private Limited	-		3.02
		7.19	3.02
c) Investment			
Invested During the year (Net)-			
Subsidiary-			
Alok Industries International Limited	345.85		-
Alok Apparels Private Limited	-		1.00
Alok Land Holdings Private Limited	-		0.25
		345.85	1.25
Joint Venture -			
Aurangabad Textiles & Apperal Parks Ltd.		71.50	-
d) Share Application Money			
Given During the year (Net)-			
Subsidiary-			
Alok Industries International Limited	-		240.43
Alok Infrastructure Limited	(191.60)		133.82
Share Allotted During the year			
Alok Industries International Limited	345.85		
		154.25	374.25
e) Turnover			
Associates-			
Grabal Alok Impex Limited	23.84		33.21
Grabal Alok (UK) Ltd.	80.58		58.64
Subsidiary-			
Alok International Inc	22.67		
Mileta, a.s.	15.83		17.99
		142.92	109.85
f) Expenditure			
Purchase of Goods:			
Associates-			
Alok Apparels Pvt. Ltd.	1.05		
Grabal Alok Impex Limited	2.93		4.35
		3.99	4.35
Purchase of Fixed Assets (Under Construction):			
Subsidiary-			
Alok Infrastructure Private Limited		174.69	130.98
Rent:			
Associates-			
Alok Apparels Private Limited	0.41		
Alok Denims (India) Private Limited	-		0.20
		0.41	0.20
Remuneration:			
Key Management Personnel-			
Ashok B. Jiwrajka	3.05		2.65
Chandrakumar Bubna	3.05		2.65
Dilip B. Jiwrajka	3.05		2.65
Surendra B. Jiwrajka	3.05		2.65
		12.20	10.60
Marketing Service Charges			
Subsidiary -			
Alok Inc.	1.97		1.78
Alok International Inc.	4.75		
		6.72	1.78
Interest			
Associates-			
Grabal Alok Impex Limited		0.37	0.43

(Rs. Crore)

Transaction	Current Year Amount		Previous Year Amount
g) Dividend Paid			
Associates-			
Grabal Alok Impex Limited		0.69	0.80
h) Income			
Dividend:			
Associates-			
Grabal Alok Impex Limited		0.15	0.19
Rent received:			
Subsidiary-			
Alok Retail (India) Limited	0.42		
Alok Infrastructure Limited	0.01	0.44	0.01
i) Reimbursement of rent			
Subsidiary-			
Alok Apparels Private Limited	-		0.43

b) Details in accordance with clause 32 of the listing agreement with the stock exchanges.

i) Loans & Advance to associates, firms or companies in which directors are interested – Rs. Nil (Previous year Rs. Nil) is not considered as it is repayable on demand and Interest is charged at market rates (excludes deposit for rented premises and share application money).

ii) Investment by Loanee in the shares of the company

Name of the Company	No.of equity shares	Face Value (Rupees)
Grabal Alok Impex limited	5,710,368	57,103,680

c) Joint Venture

(Rs. Crore)

Name of the Companies	% of Shareholding	Amout of interest based on Unaudited Accounts for the year ended 31 MAR 2009				
		Assets	Liabilities	Income	Expenses	Contingent Liabilities
New City of Bombay Mfg. Mills Limited	49.00%	32.08	0.94	2.97	0.41	NIL
Aurangabad Textile and Apparel Park Limited	49.00%	6.99	0.23	11.63	10.87	NIL

4. Managerial Remuneration

(Rs. Crore)

PARTICULARS	31 MAR 2009	31 MAR 2008
Salaries	**7.20**	5.52
Perquisites	**-**	0.08
Directors Sitting Fees	**0.08**	0.04
Commission	**5.00**	5.00
TOTAL	**12.28**	10.64

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

(Rs. Crore)

PARTICULARS	31 MAR 2009	31 MAR 2008
Profit Before Tax as per Profit and Loss A/c.	**284.99**	297.57
Add: 1) Directors Remuneration (including commission)	**12.20**	10.60
2) Sitting Fees	**0.09**	0.04
3) Loss on Sale of Current investments	**2.24**	-
4) Provision for Doubtful Debts and Advances	**-**	3.03
	299.52	311.24
Less: 1) Profit on sale of Current investments	**-**	0.19
2) Provision for Doubtful Debts and Advances written back	**1.39**	3.24
3) Profit on sale of fixed Assets	**1.79**	3.13
Net Profit under Section 349 of the Companies Act, 1956	**296.34**	304.68
Eligible Salaries, Perquisites and Commission @10% of above	**29.63**	30.47
Actual Commission (As restricted by Board of Directors)	**5.00**	5.00

5. Rights Issue

a) The company vide offer letter dated 19 March 2009 offer 408,723,061 equity shares of Rs. 10/- each at a premium of Re. 1/- per share to its existing share holders

PARTICULARS	Total amount due (per Share)		Towards share capital (per share)		Towards securities premium (per share)		Total amount (Rs. Crore)	Due on (after the date of allotment, at the option of the company)
	Method 1	Method 2	Method 1	Method 2	Method 1	Method 2		
On Application	6.00	11.00	5.00	10.00	1.00	1.00	367.59	Along with application
On First & Final Call	5.00	-	5.00	-	-	-	82.00	–
	11.00	**11.00**	**10.00**	**10.00**	**1.00**	**1.00**	**449.59**	

b) The utilisation of the right issue proceeds aggregating to Rs. 449.59 crore will be as under:

(Rs. Crore)

PARTICULARS	Amount
Right Issue Expenses	20.59
Long Term Working Capital Margin requirements	385.00
General Corporate Purpose	44.00
	449.59

c) Application money received till 31 March 2009

(Rs. Crore)

PARTICULARS	Amount
From Promoters/Promoter Group	92.50
From Others	45.00
	137.50

d) The company has utilised the application money received from promoters/promoter group towards its long term working capital requirements

e) The issue closed on 22 April 2009, the company has allotted :

PARTICULARS	Amount
Fully paid	244,719,930
Partly paid	164,003,131
	408,723,061

6. The Company in accordance with the resolution passed by members by way of Postal Ballot on 14 February 2008 issued for cash on preferential basis 19,800,000 warrants to the Promoter Group of the Company, which are convertible into equity shares. The warrant holder have the option of subscribing for one equity share of the Company of Rs. 10/- each per warrant at a price of Rs.102/- per share, (including premium of Rs. 92/- per share), determined in accordance with the SEBI guidelines, at any time within 18 months from the date of allotment of the Warrants, in two stages viz. (a) 98,00,000 Warrants to be converted into Equity Shares on or before 31 March,2009, against which entire issue price has been received and these warrants were converted into equity shares on 28 April 2008 and (b) 1,00,00,000 Warrants to be converted into Equity Shares on or before 31 July 2009, against which 10% of the issue price has been received in previous year and Rs. 91.80 crores being brought in as share application money which has been treated as the balance 90% amount payable upon exercising of the option of conversion of warrants into equity shares. The said application money has since refunded at the request of the warrant holder.

7. 475 FCCBs (previous year 475 FCCBs) are carried forward from earlier year and pending conversion/ redemption as at the year end aggregating Rs. 121.01 crore (Previous Year Rs. 94.87 Crore) are disclosed under “Unsecured Loans” (Schedule 4). The total proceeds on this account have been fully utilised during the earlier years.

8. The Company has acquired plant and machinery and computers on lease aggregating to Rs. 14.48 crore (Previous year Rs.14.48 crore) on hire purchase in nature of finance lease. The company capitalised the said assets at their fair value as the lease are in the nature of finance leases as defined in AS-19. Lease payments are apportioned between finance charge and reduction of outstanding liabilities. The details of lease rentals payable in future are as follows:

(Rs. Crore)

Due	Total minimum lease payments outstanding		Future interest on outstandings		Present value of minimum lease payments	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Within one year	2.36	2.83	0.19	0.35	2.17	2.48
Later than one year and not later than 5 years	2.35	4.71	0.03	0.22	2.32	4.49
Later than 5 years	-	-	-	-	-	-

9. The Company during the year mainly capitalised Spinning unit (Phase III) and Power Plant 18 MW and Texturising at Saily, Dadra and Nagar Haveli . Pre-operative expenses included in Capital work in progress (Schedule 6) represent the direct expenses incurred for projects undertaken by the company which are yet to be commissioned. Such pre-operative expenses mainly pertain to plants/building under erection/construction at units located at Vapi and Silvassa to be capitalised on completion of the project at that location. The details of pre-operative expenses are as under :

(Rs. Crore)

Details of Pre Operative Expenses	For the year ended 31 MAR 2009	For the year ended 31 MAR 2008
Opening balance	20.69	19.59
Add: Expenditure Incurred during the year		
Payment to and provisions for employees	13.99	26.32
Stores and spares consumed	-	16.83
Power and fuel	36.21	12.72
Others	24.81	11.68
Total	**95.70**	87.14
Less : Allocated to Fixed Assets.	20.20	66.45
	75.50	20.69

10. Deferred Taxation

a) Deferred Tax Assets and Liabilities arising on account of timing differences are as under: (Rs. Crore)

PARTICULARS	31 MAR 2009	31 MAR 2008
I) Deferred Tax Liability (DTL)		
i) Depreciation	**311.34**	215.05
	311.34	215.05
II) Deferred Tax Asset (DTA)		
i) Other items	**2.04**	2.45
ii) FCCB Issue Expenses	**1.33**	2.12
	3.37	4.57
(I-II) Total Deferred Tax Liabilities (Net)	**307.97**	210.48

11. Earnings per share (EPS)

(Rs. Crore)

PARTICULARS	31 MAR 2009		31 MAR 2008
a. Nominal value of equity shares per share (In Rupees)	10		10
b. Basic EPS			
Net Profit Available for Equity Shareholders	189.11		198.66
Weighted average number of Equity Shares Dilutive (Nos.)	196,250,037		222,494,895
Basic Earnings per share (Rupees)	9.64		11.40
c. Dilutive EPS			
	31 MAR 2009		**31 MAR 2008**
	Before considering Right Issue	**After considering Right Issue**	
Net Profit Available for Equity Shareholders	189.11	189.11	198.66
Add: Depreciation	0.18	0.18	0.02
Net profit available for Equity Shareholders - (Dilutive)	189.29	189.29	198.69
Weighted average number of Equity Shares Basic (Nos.)	196,250,037	196,250,037	174,233,536
Add: Effect of potential equity shares on right issue (Nos)	-	326,721,496	
Add : Effect of potential equity shares on conversion of			
a. Share Application Money Utilised (Nos)	11,519,303	-	-
b. Share warrants (Nos.)	1,724,932	1,724,932	19,800,000
c. FCCB (Nos)	17,265,961	17,265,961	28,461,359
Weighted average number of Equity Shares Dilutive (Nos.)	226,760,233	541,962,426	222,494,895
Diluted Earnings per share (Rupees)	8.35	3.49	8.93

12. Employee benefit plans:

i) **Defined contribution plans:**

Amounts recognized as expenses towards contributions to provident fund, superannuation and other similar funds by the Company are Rs. 9.54 Crore (Previous Year Rs. 4.79 crore) for the year ended 31March 2009.

ii) **Defined benefit plans:**

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

b) Compensated absences: Employees' entitlement to compensated absences in future periods based on unavailed leave as at balance sheet date, as per the policy of the Company, is expected to be a long term benefit and is actuarially valued.

The following table sets out the status of the gratuity plan for the year ended 31March 2009 as required under AS 15 (Revised)

(Rs. Crore)

PARTICULARS	Gratuity (funded) as at 31 MAR 2009	Gratuity (funded) as at 31 MAR 2008
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	**3.63**	2.47
Current Service Cost	**1.31**	0.89
Interest Cost	**0.38**	0.26
Actuarial (Gain)/loss	**(0.85)**	0.14
Benefits Paid	**(0.27)**	(0.13)
Closing Defined Benefit Obligation	**4.20**	3.63
Change in Fair Value of assets		
Opening in Fair value of assets	**1.60**	1.13
Expected Return on Plan Assets	**0.18**	0.12
Actuarial gain	**0.01**	0.01
Contribution by Employer	**0.72**	0.47
Benefits Paid	**(0.27)**	(0.13)
Closing Fair Value of Plan Assets	**2.24**	1.60
Net Liability	**1.96**	2.03
Expense to be recognised in statement of Profit and Loss Account		

(Rs. Crore)

PARTICULARS	For the Year ended 31 MAR 2009	For the Year ended 31 MAR 2008
Current Service Cost	1.31	0.89
Interest on Defined Benefit Obligation	0.38	0.26
Expected Return on Plan Assets	(0.18)	(0.13)
Net Actuarial Gain	0.86	0.14
Total Included in Employment Expenses	2.37	1.16
Actual Return on Plan Assets	0.19	0.13
Category of Assets as on 31 March 2009		
Insurer Managed Fund	2.24	1.60

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

(Rs. Crore)

PARTICULARS	For the Year ended 31 MAR 2009	For the Year ended 31 MAR 2008
Discount Rate	7.75%	8.00%
Rate of increase in compensation levels of covered employees	7.50%	6.00%
Expected Rate of return on Plan Assets	8.00%	8.00%

13. Segment Reporting

a) Primary Segment: Geographical Segment. The Company, considering its high level of international operations and present internal financial reporting based on geographical location of customer, has identified geographical segment as primary segment.

The geographic segment consist of:

a) Domestic (Sales to Customers located in India)

b) International (Sales to Customers located outside India)

Revenue directly attributable to segments is reported based on items that are individually identifiable to that segment. The company believes that it is not practical to allocate segment expenses, segment results, fixed assets used in the company's business or liabilities contracted since the resources/services/assets are used interchangeably within the segments. Accordingly, no disclosure relating to same is made.

(Rs. Crore)

PARTICULARS	Domestic	International	Total
Operating Revenue (including job work charges)	1,922.43	1,054.50	2,976.93
	(1,133.52)	(1,036,.89)	(2,170.41)
Profit before Interest & tax (segment results unallocable)			589.11
			(429.42)
Less: Interest and finance Charges (Net)			304.12
			(131.83)
Tax			96.62
			(98.93)
Profit after Tax			188.37
			(198.66)

b) Secondary Segment: Business Segment The company is operating into a single business i.e. Textile and as such all business activities revolve around this segment. Hence, there is no separate secondary segment to be reported considering the requirement of AS 17 on "Segment Reporting"

14. In the opinion of the Board, carrying value of all Current assets, loans and advances and other receivables is not less than their realisable value in the ordinary course of business.

15. Provision for Income Tax of Rs. 32.98 crore (previous year Rs. 33.67 crore) has been computed on the basis of Minimum Alternate Tax (MAT) in accordance with Section 115JB of the Income Tax Act, 1961, in view of deductions available to the company. Considering the future profitability and taxable positions in the subsequent years, the company has recognised 'MAT credit entitlement' amounting to Rs. 28.65 crore (Previous year Rs. 4.12 crore), aggregating to Rs. 33.88 crore (previous year Rs. 5.23 crore), as an asset by crediting the Profit and Loss Account for an equivalent amount and disclosed under 'Loans and Advances' (Schedule 11) in accordance with the Guidance Note on "Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961" issued by The Institute of Chartered Accountants of India.

16. Excess provision for dividend of earlier year of Rs. 0.17 crore (Previous Year Rs. 0.19 crore) [including dividend tax Rs. 0.02 crore (Previous Year Rs. 0.03 crore)] represent the difference between the amount provided and paid considering the legal opinion obtained by the company and the amount finally paid on the shares allotted as on outcome of conversion of FCCBs.

17. The Company has invested in a subsidiary company viz; Alok Industries International Limited aggregating to Rs 368.12 crore (Previous year Rs. 344.29 crore) (including share application money) as at year end, which is a strategic long-term investment.

a) The subsidiary company has made investment in Alok European Retail, s.r.o. (AER), a 100% subsidiary, of Rs. 0.06 crores and granted an advance aggregating Rs. 0.74 crore. As per the audited financials statements as at 31 March 2009, AER has incurred losses. The subsidiary company, for the time being, does not intend to continue with the business plans of investing further in this subsidiary.

b) The subsidiary company has made investment in its subsidiary viz; Mileta, a.s. aggregating Rs. 39.80 crore [Previous year Rs. 20.47 crore] and given interest free loan aggregating Rs. 58.24 crore [Previous year Rs. 24.96 crore] which is outstanding as at the year end. Mileta has accumulated losses at the year end. However, it continues to have positive net worth. The subsidiary company has embarked upon renovation of the basic production facilities and expects to achieve higher turnover, reduced costs and consequently the profitability. On that basis, investment in Mileta and the loan amount as at the year end is considered good and recoverable.

c) The subsidiary company has investment in an associate viz; Grabal Alok (UK) Limited aggregating to Rs. 354.67 crore [Previous year Rs. 219.87 crore] (including share application money) which is a strategic long- term investment. The company has also invested Rs. 38.06 crore [Previous year Rs. Nil] in another associate viz; Grabal Alok International Limited and given interest free loan of Rs. 16.73 crore) [Previous year Rs. 29.84 crore], which has entirely invested such amounts in Grabal Alok (UK) Limited. Based upon the financial support of Alok and the future growth plan of embarking upon more trendy stores and wider reach in the market by opening new stores, though the net worth at the year end had been eroded. The said company continues to implement the growth plans with aggressive cost reduction programs which is expected to yield positive results. Accordingly the directors of that company expect the initiative to deliver the expected sales growth and profitability in the subsequent years. On that basis, in the opinion of the Company, the aforesaid investments and the loan amounts outstanding as at 31 March 2009 are considered good and recoverable.

d) Advance subscription by subsidiary company towards investments includes:

(i) Rs. 6.67 crore being subscription money paid by the subsidiary towards equity capital of Aisle 5 LLC (Aisle 5), which is the business of development, marketing and licensing of trade brands, in respect of which the shares are yet to be allotted. Aisle5 has incurred losses during the year and has accumulated losses at the year end as per the unaudited financials compiled by the management. However, it continues to have positive net worth and expects to achieve higher sales on the basis of the client-wise projections prepared by its management which will result into profits in the following one or two years.

On that basis, in the opinion of the Subsidiary Company, investment in Aisle 5 as at 31 March 2009 is considered good.

(ii) Rs. 37.73 crore, being subscription money paid to PowerCor LLC towards 5% Group B Membership interest, which is considered by the subsidiary to be a strategic investment. The membership interest is yet to be allotted. The said company is yet to commence its operations and has exclusive rights to market, commercialise and sell specific software used in development and implementation of certain products. On that basis, in the opinion of the Company, the aforesaid subscription advance is considered as good.

On the above basis in opinion of the Company the investment in subsidiary company viz Alok Industries International Limited is considered good.

18. a) The Company, during the year based on the Announcement of The Institute of Chartered Accountants of India “Accounting for Derivatives” along with the principles of prudence as enunciated in Accounting Standard 1 (AS-1) “Disclosure of Accounting Polices” has accounted for derivative forward contracts at fair values.

b) Derivative contracts entered into by the company and outstanding as on 31 March 2009. For hedging currency and interest rate related risks Nominal amounts of derivative contracts entered into by the company and outstanding as on 31 March 2009 amount to Rs. 169.36 crore (previous year Rs. 254.54 crore). Category wise break-up is given below.

(Rs. Crore)

Sr. No.	PARTICULARS	As at 31 MAR 2009	As at 31 MAR 2008
1	Interest Rate Swaps	**117.52**	119.94
2	Currency Swaps	**40.00**	106.49
3	Currency Options	**11.84**	28.11
	Total	**169.36**	254.54

c) All derivative and financial instruments acquired by the company are for hedging purpose only.

d) The year end foreign currency exposure that has not been hedged by derivative instruments or other wise are as below:

(In Crore)

a) Amount receivable in foreign currency on account of the following

Particulars	Rupees	Foreign Currency	Currency
Debtors	73.41	1.44	USD
	39.10	0.54	GBP
	9.53	0.14	EUR
Cash & Bank Balance	25.48	0.50	USD

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

(In Crore)

Particulars	Rupees	Foreign Currency	Currency
Debtors	73.41	1.44	USD
Secured Loans	640.50	12.60	USD
	72.13	113.98	JPY
	72.45	1.09	EUR
Interest accrued but not due on loans	20.90	0.41	USD
	0.67	0.01	EUR
Unsecured Loan	122.07	2.40	USD

19. The Company during the previous year consequent to the damage caused to the assets by fire at its Texturising unit located at Silvassa, computed the loss of such assets in accordance with the terms of the policy and submitted the claim together with the details to the surveyors of the insurer for an amount aggregating to Rs.217.72 crore including for loss of profit and accounted the same in the books of account. During the year, the insurer released payment of Rs. 25 crore (Previous Year Rs. 110.00 crore) (including for loss of profit) pending finalisation of the claim which has been adjusted to the claim receivable to that extent and the balance claim receivable of Rs. 80.63 crore (Previous Year Rs. 90.74 crore) is carried forward under Loans and Advances (Schedule 11) which would be adjusted on receipt of the final claim amount.

20 The company in accordance with the resolution passed by members by way of postal ballot on 28 November 2008 hived off its retail business to a 100% subsidiary, namely Alok Retail (India) Limited w.e.f.1 December 2008.

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

i) Details of Products Manufactured, Turnover, Opening Stock, Closing Stock etc.

Particulars	Unit	Period/Year ended 31st March	Installed Capacity per annum +	Opening Stock		Production Quantity @	Purchase		Turnover		Closing Stock	
				Quantity	Amount (Rs.Crore)		Quantity #	Amount (Rs.Crore)	Quantity#	Amount (Rs.Crore)	Quantity	Amount (Rs.Crore)
Woven Fabric	Lacs Mtrs	March.09	1318 Looms & 18 Stenters	156.34	120.08	1,780.99	-	-	1,682.94	1,451.00	254.40	191.57
		March.08	1237 Looms & 15 Stenters*	129.60	93.38	946.52	-	-	919.78	780.04	156.34	120.08
Knitted Fabric	M.T.	March.09	160 Machines	652.63	8.92	6,414.79	-	-	6,692.88	148.00	374.54	7.73
		March.08	158 Machines	453.33	7.36	6,807.50	-	-	6,608.20	126.72	652.63	8.92
Cotton Yarn -	M.T	March.09	150912 Spindles	594.94	3.77	8,516.77	-	-	8,348.32	59.12	763.39	6.15
Manufacture		March.08	150912 Spindles	-	-	1,775.22	-	-	1,180.28	19.02	594.94	3.77
Chips	M.T	March.09	-	-	-	1,588.74	-	-	882.63	3.98	706.11	2.49
		March.08	-	-	-	-	-	-	-	-	-	-
Texturised Yarn	M.T.	March.09	20904 Spindles	1,145.47	9.35	70,819.08	-	-	71,017.81	579.93	946.74	6.88
		March.08	17796 Spindles	1,308.91	10.28	43,614.67	-	-	43,778.10	373.39	1,145.48	9.35
Poy	M.T.	March.09	2448 Spindles	616.66	2.95	9,789.78	-	-	9,742.25	68.50	664.18	4.19
		March.08	2208 Spindles	356.19	2.66	23,837.16	-	-	23,576.69	156.35	616.66	2.95
Handkerchief	Pcs	March.09	64 Machines	181,380	0.12	6,962,509	-	-	5,885,466	6.18	1,258,423	1.04
		March.08	64 Machines	-	-	1,499,508	-	-	1,318,128	1.03	181,380	0.12
Garments	Pcs	March.09	1647 Machines	374,966	2.65	4,739,215	-	-	4,713,121	58.61	401,060	3.30
		March.08	1636 Machines	230,532	1.81	4,316,691	-	-	4,172,257	53.96	374,966	2.65
Made-ups	Sets	March.09	914 Machines	114,562	8.99	4,078,894	-	-	4,072,960	337.74	120,496	6.92
		March.08	907 Machines	161,142	13.12	4,299,501	-	-	4,346,081	337.30	114,562	8.99
	Pcs.	March.09	-	268,664	9.33	2,365,247	-	-	2,455,948	138.89	177,963	4.20
		March.08	-	34,781	0.61	905,066	-	-	671,183	24.37	268,664	9.33
	Pairs	March.09	-	52,499	0.92	625,002	-	-	451,027	21.95	226,474	1.72
		March.08	-	24,621	0.45	1,413,015	-	-	1,385,137	29.93	52,499	0.92
Terry Towel	M.T.	March.09	-	-	-	14.91	-	-	14.46	0.03	0.45	0.01
		March.08	-	-	-	-	-	-	-	-	-	-
Raw Cotton –Traded	M.T.	March.09	-	1,296.85	7.54	-	6,135.32	36.69	6,742.38	48.90	689.79	3.92
		March.08	-	113.21	0.67	-	45,603.31	253.37	44,419.67	270.95	1,296.85	7.54
Cotton Yarn - Traded	M.T.	March.09	-	23.55	0.81	-	67.03	2.51	90.58	3.07	-	-
		March.08	-	-	-	-	128.20	3.76	104.65	4.09	23.55	0.81
Accessories - Traded		March.09	-	-	-	-	-	66.06	-	73.81	-	-
		March.08	-	-	-	-	-	41.49	-	42.13	-	-
Total		March.09			175.43			105.26		2,999.73		240.12
		March.08			130.34			298.62		2,219.28		175.43

* Includes 610 Nos. (Previous year 598 Nos.) Double width Looms
# After Adjusting inter division consumption, excesses, shortages,
@ Production includes items produced on job work basis by outside parties.
+ As certified by the management

(Rs. Crore)

Production excludes	Unit	31 MAR 2009	31 MAR 2008
1. Job work for Outsiders			
a) Woven Fabric	Lacs Mtrs.	**35.59**	-
b) Knitted Fabric	M.T.	**-**	7.54
c) Woven Fabric for Processing	Lacs Mtrs.	**105.72**	139.71
d) knitted Fabric for Processing	M.T.	**267.69**	349.30
2. Production consumed internally			
a) Woven Fabric for Made-ups	Lacs Mtrs.	**308.98**	193.80
b) Knitted Fabric for Garments	M.T.	**908.67**	725.45
c) Woven Fabric for Garments	Lacs Mtrs.	**14.36**	14.65
d) Yarn for Knitted Fabrics	M.T.	**2,433.29**	2,350.38
e) Yarn for Woven Fabrics	M.T.	**16,013.16**	4,769.19
f) Woven Fabrics for Processing	Lacs Mtrs.	**778.38**	762.26
g) Knitted Fabrics for Processing	M.T.	**5622.16**	5,025.82

(Rs. Crore)

PARTICULARS	Units	31 MAR 2009		31 MAR 2008	
		Quantity	Value	Quantity	Value
(ii) Raw Material consumed					
1) Manufacture of woven fabrics					
- Yarn	Kgs	**18,772,920**	**346.74**	21,521,898	233.98
- Fabric	Mtrs	**53,852,920**	**427.36**	24,709,457	96.75
2) Manufacture of knitted fabrics					
- Yarn	Kgs	**5,906,713**	**111.96**	5,732,239	74.81
- Fabric	Kgs	**5,047**	**0.10**	26,124	0.37
3) Manufacture of Yarn					
- Poy	Kgs	**31,757,798**	**252.08**	23,011,609	147.53
4) Processing					
- Dyes & Chemicals	-	**-**	**134.53**	-	62.83
5) Manufacture of Garments					
- Woven Fabrics	Mtrs	**5,063**	**0.03**	3,974	0.03
- Knitted Fabrics	Kgs	**10,316.64**	**0.24**	773	0.01
6) Manufacture of Poy					
- Polyester Chips	Kgs	**47,507,930**	**282.26**	46,754,665	261.19
7) Manufacture of Cotton Yarn					
- Raw Cotton	Kgs	**25,174,049**	**165.50**	8,479,862	47.03
8) Manufacture of Chips					
- Chemicals	Kgs	**5,153,370**	**19.57**	-	-
9) Manufacture of Terry Towel					
- Yarn	Kgs	**23,802**	**0.22**	-	-
			1740.58		924.53

22. (i) CIF Value of Imports

(Rs. Crore)

	2008-2009	2007-2008
- Capital Goods purchased	**584.87**	358.38
- Stores & Spares purchased	**34.14**	9.06
- Raw Material purchased	**151.42**	75.12
	770.43	442.56

SCHEDULES

(ii) Expenditure in Foreign Currency

(Rs. Crore)

PARTICULARS	2008-2009	2007-2008
- Advertisement Expenses	**0.01**	0.24
- Foreign Travel / Business Promotion	**9.55**	1.32
- Legal & Professional Fees	**4.40**	4.15
- Interest on Foreign currency term loans	**46.86**	29.60
- Internet Expenses	**0.14**	0.26
- Fees Rates & Taxes	**1.47**	-
- Claim For Damaged Goods	**3.98**	-
- Donation	**0.01**	-
- Freight & Insurance	**0.36**	-
- Inspection Fees	**0.50**	-
- Insurance Charges (Rs.3,905.87)	**0.00**	-
- Repairs & Maintenance	**0.27**	-
- Upfront Fees	**0.17**	-
- Office & Factory Salaries / Wages / Stipend	**0.71**	-
- Testing & Laboratory Expenses	**0.14**	0.25
- Commission	**6.30**	4.23
Total	**74.87**	40.05

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

PARTICULARS	2008-2009				2007-2008			
	Imported		Indigenous		Imported		Indigenous	
	Value (Rs. Crore)	% of Total Consumption	Value (Rs. Crore)	% of Total Consumption	Value (Rs. Crore)	% of Total Consumption	Value (Rs. Crore)	% of Total Consumption
Raw Materials	**151.42**	**8.77%**	**1574.77**	**91.23%**	**78.28**	**8.47%**	**846.25**	**91.53%**
Stores and Spares	**34.14**	**69.43%**	**15.03**	**30.57%**	**9.06**	**27.70%**	**23.64**	**72.30%**

(iv) Earning in Foreign Currency

(Rs. Crore)

PARTICULARS	2008-2009	2007-2008
- FOB Value of Exports	**972.48**	969.00
- Interest received on Fixed Deposits	**2.51**	6.95

(v) Dividend Remitted in Foreign Exchange

Year of Dividend	2008-2009	2007-2008
Equity Share		
No. of shareholders	**1**	2
No. of shares held by them	**208,469**	22,778,913
Dividend remitted during the year (Rs. Crore)	**0.00***	3.03
Year to which dividend relates	**2007-08**	2006-07

(*Rs.33,584/-)

23. In line with the notification dated 31March 2009 issued by the Ministry of Corporate Affairs, amending Accounting Standard (AS) 11 – 'Effect of changes in Foreign Exchange Rates', the Company has chosen to exercise the option under paragraph 46 inserted in the Standard by the notification.

Accordingly with retrospective effect from 1 April 2008 exchange differences on all long term monetary items are:

a. To the extent such items are used for financing fixed assets, added to/subtracted from the cost of those fixed assets and depreciated over balance useful life of the asset.

b. In other cases accumulated in the 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the balance period of such long term monetary item but not beyond 31 March 2011.

In effect of the above, the Company has

i) Added to General Reserve Rs. 24.78 crore (net of tax Rs. 14.95 crore) which was recognised in the Profit & Loss Account in previous financial year ended 31 March 2008.

ii) Added to fixed assets / capital work-in-progress Rs. 166.46 crore being exchange difference on long term monetary items relatable to acquisition of fixed assets.

iii) Charged to Profit & Loss Account Rs. 6.55 crore.

iv) Carried forward Rs. 11.20 crore in the 'Foreign Currency Monetary Item Translation Difference Account' being the amount remaining to be amortised as at 31 March 2009.

As a result of the above change in Accounting Policy the net profit before tax for the year is higher by Rs. 152.19 crore (net of tax Rs.100.46 crore).

24. The amounts in Balance Sheet, Profit and Loss Aaccount and Cash Flow Statement are rounded off to the nearest lakh and denominated in crore of rupees.

25. The figures of the previous year have been reclassified / regrouped wherever necessary to correspond with those of the current year.

Signatures to Schedules 1 to 19

As per our attached report of even date
For Gandhi & Parekh
Chartered Accountants

Devang B. Parekh
Partner

Place: Mumbai
Dated: 29 July 2009

For and on behalf of the Board

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

Place: Mumbai
Dated: 29 July 2009

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Information required to be given in pursuance of part IV of Schedule VI of the Company's Act, 1956

(Amount in Rs. Thousands)

I	**Registration Details**				
	Registration No.	U17110MH1986PTC039194			
	State Code	**11**			
	Balance Sheet Date		**31**	**3**	**2009**
			Day	**Month**	**Period**
II	**Capital raised during the period**				
	Public Issue				NIL
	Right Issue				NIL
	Bonus Issue				NIL
	Private Placement				NIL
III	**Position of mobilization and deployment of funds**				
	Total Liabilities				91,595,761
	Total Assets				91,595,761
	Sources of Funds				
	Paid up Capital				1,969,750
	Reserves & Surplus				14,103,854
	Share Application Money				1,375,000
	Share Warrants				102,000
	Secured Loan				62,562,417
	Unsecured Loan				3,401,089
	Deferred Tax Liability				3,079,727
	Application of Funds				
	Net Fixed Assets				59,838,733
	Net Current Assets				21,857,365
	Investments				4,785,780
	Foreign Currency Translation Monetory Account				111,957.82
IV	**Performance of the Company**				
	Turnover				29,769,327
	Total Expenditure				27,127,513
	Profit before Tax				2,849,903
	Profit after Tax				1,883,672
	Earning Per Share (Refer Note 11 of Part B of Schedule19)				
	- Basic				9.64
	- Diluted : Before considering effect of Right Issue				8.35
	After considering effect of Right Issue				3.49
	Dividend				7.50%

V Generic names of Principal Products/ Services of the Company
(as per monetary terms)

Item Code No. (ITC Code)	5208
Product description	Woven Fabrics of Cotton, containing 85% or more by weight of cotton weighing not more than 200 g/m2
Item Code No. (ITC Code)	5406
Product description	Man made filament yarn (other than sewing thread) put up for retail sale.
Item Code No. (ITC Code)	6001
Product description	Pile fabric, including 'long pile' fabrics and terry fabrics, knitted or crocheted.
Item Code No. (ITC Code)	6002
Product description	Other knitted or crocheted fabric.

Statement Regarding Subsidiary Company Pursuant to Section 212(3) and 212(5) of the Companies Act, 1956

Name of Subsidiary Company	Financial Year to which accounts relate	Holding Company's interest as at close of financial year of subsidiary company		Net aggregate amount of subsidiary company's profits after deducting its losses or vice-versa, so far as it concerns members of the holding Company which are not dealt within the Company's account		Net aggregate amount of subsidiary company's profits after deducting its losses or vice-versa, dealt within the Company's account		Holding Company's interest as at 31 March 2008 incorporating changes since close of financial year of subsidiary company
		Shareholding	Extend of Holding %age	For the current financial year Rs. Crores.	For the previous financial year Rs. Crores	For the current financial year Rs. Crores.	For the previous financial year Rs. Crores	
Overseas :								
1. Alok Inc.	2008-09	50 Equity Shares of USD 200 each	100	0.12 (Profit)	0.50(Loss)	Nil	Nil	N.A.
2. Alok Industries International Limited	2008-09	i) 50000 Equity Shares of USD 1 each ii) 90927170 Preference Shares of USD 1 each	100	14.73 (Profit))	0.08 (Profit)	Nil	Nil.	N.A.
3. Alok International Inc.	2008-09	1000 Equity Shares of USD 1 each	100	0.59 (profit)	N.A.	Nil	Nil	N.A.
4. Alok European Retail, s.r.o.	2008-09	200 Equity Share of 1000 CZK Each	100	0.58 (loss)	N.A.	Nil	Nil	N.A.
5. Mileta a.s.	2008-09	200 Equity Share of CZK 1000 each	79.62	26.71 (Loss)	-	Nil	Nil	N.A.
Domestic								
1. Alok Infrastructure Limited	2008-09	50000 Equity Shares of Rs. 10 each	100	1.43(Profit)	3.10 (Profit)	Nil	Nil	N.A.
2. Alok Apparels Private Limited	2008-09	100000 Equity Shares of Rs. 10 each	100	2.87 (loss)	0.73 (loss)	Nil	Nil	N.A.
3. Amigo Sports Private Limited	2008-09	-	-	-	0.01 (Loss)	Nil	Nil	N.A.
4. Alok Retail (India) Limited	2008-09	50000 Equity Shares of Rs. 10 each	100	4.12 (Loss)	0.01 (Loss)	Nil	Nil	N.A.
5. Alok Landholdings Private Limited	2008-09	50000 Equity Shares of Rs. 10 each	100	0.02 (Loss)	0.19 (Loss)	Nil	Nil	N.A.
6. Alok Realtors Private Limited	2008-09	25000 Equity Shares of Rs. 10 each	100	0.27 (Loss)	-	Nil	Nil	N.A.
7. Alok New City Infratex Pvt. Ltd.	2008-09	50000 Equity Shares of s. 10 each	100	0.00 (Loss)	N.A.	Nil	Nil	N.A.
8. Alok Aurangabad Infratex Pvt. Ltd.	2008-09	50000 Equity Shares of Rs. 10 each	100	0.00 (Loss)	N.A.	Nil	Nil	N.A.
9. Alok HB Hotels Private Limited	2008-09	50000 Equity Shares of Rs. 10 each	100	0.00 (Loss)	N.A.	Nil	Nil	N.A.
10. Alok HB Properties Private Limited	2008-09	50000 Equity Shares of Rs. 10 each	100	0.00 (Loss)	N.A.	Nil	Nil	N.A.

FINANCIAL INFORMATION RELATING TO SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31 MARCH 2009

(Rs. Crore)

SR. NO.	NAME OF THE SUBSIDIARY	CAPITAL	RESERVE	TOTAL ASSETS	TOTAL LIABILITIES	INVESTMENT*				TURNOVER	PROFIT BEFORE TAX	PROVISION FOR TAX	PROFIT AFTER TAX	PROPOSED DIVIDEND
						GOVERN-MENT SECURITIES	SHARES, DEBENTURESE BOND & OTHERS	UNITS OF MUTUAL FUND	ASSOCIATE					
1	Alok Industries International Limited@	368.13	111.07	555.62	555.62	-	437.19	-	-	-	14.73	-	14.73	-
2	Alok Inc.@	0.04	0.18	0.41	0.41	-	-	-	-	1.94	0.13	0.01	0.12	-
3	Alok Infrastructure Limited	0.05	3.47	449.36	449.36	-	-	-	82.03	175.88	2.17	0.74	1.43	-
4	Alok Apparels Private Kunued	1.00	(3.37)	36.57	36.57	-	-	-	-	7.28	(4.31)	(1.43)	(2.87)	-
5	Alok Retail (India) Limited	0.05	(4.12)	(3.92)	(3.92)	-	-	-	-	4.77	(3.96)	0.15	(4.12)	-
6	Alok Realators Private Limited	0.25	(0.31)	193.32	193.32	-	-	-	-	-	(0.27)	-	(0.27)	-
7	Alok Land holdings Private Limited	0.50	(0.22)	191.84	191.84	-	-	-	202.84	-	(0.02)	-	(0.02)	-
8	Alok New City Infratex Private Limited	0.05	(0.00)	0.05	0.05	-	-	-	-	-	(0.00)	-	(0.00)	-
9	Alok Aurangabad Infratex Private Limited	0.05	(0.00)	0.05	0.05	-	-	-	-	-	(0.00)	-	(0.00)	-
10	Alok HB Hotels Private Limited	0.05	(0.00)	0.05	0.05	-	-	-	-	-	(0.00)	-	(0.00)	-
11	Alok HB Properties Private Limited	0.05	(0.00)	0.05	0.05	-	-	-	-	-	(0.00)	-	(0.00)	-
12	Mileta, a.s.#	98.34	(72.22)	40.58	40.58	-	-	-	-	124.30	(33.55)	-	(33.55)	-
13	Alok International Inc.@	0.00	0.59	0.97	0.97	-	-	-	-	25.53	0.83	0.23	0.59	-
14	Alok European Retail, s.r.o.#	0.05	(0.58)	(0.53)	(0.53)	-	-	-	-	-	(0.58)	-	(0.58)	-

@ Balance sheet items are transalated at closing exchange rate of INR 50.95/USD and Profit/(Loss) items are transalated at average exchange rate of INR 45.91/USD
# Balance sheet items are transalated at closing exchange rate of INR 2.5955/CZK and Profit/(Loss) items are transalated at average exchange rate of INR 2.4999/CZK
* Excluding investment in Subsidiaries

Note

The Ministry of Corporate Affairs, Governament of India under section 212 (8) of the Companies Act, 1956, has exempted the Company from attaching the documents of Company's subsidiaries, required to be attached under section 212 (1) of the Companies Act, 1956, for the financial year ended on 31.03.2009. However annual accounts of the Subsidiary Companies and the related detailed information will be made available to the investors of the Company and subsidiaries of the Company, seeking such information at any point of time. The annual accounts of the Subsidiary Companies are available for inspection by any investor at the Registered Office of the Company and the concerned subsidiary of the Company.

Mileta's Plant in Czech Republic

Refurbished Stores of STORE TWENTY ONE in UK

Consolidated Financial Statements

To,
The Board of Directors
ALOK INDUSTRIES LIMITED

1. We have audited the attached Consolidated Balance Sheet of **Alok Industries Limited** ("the Company"), its Subsidiaries (the Company and its subsidiary collectively referred to as the "Group"), Joint Venture and Associates, as at 31 March 2009, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21 "Consolidated Financial Statements", Accounting Standard (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard (AS) 27 "Financial Reporting of Interest in Joint Venture". as notified by the Company (Accounting Standards) Rules 2006.

4. a) Included in this Consolidated Financial Statements (CFS) are total assets (net) of Rs. 597.05 crore, total revenues of Rs. 143.98 crore and net cash inflows of Rs. 2.14 crore of subsidiaries as referred to in note no. 1 (K), 1(L), 1(M), 1(N), 1(O) of part B of schedule 19 and share of loss of Rs. 67.92 crore in Associates as referred to in Note no. 3(A) of Part B of schedule 19, which have not been audited by us. These have been audited by other auditors whose reports have been furnished to us, and our opinion so far as it relates to the amounts included in respect of these entities, is based solely on reports of those respective auditors.

   b) Further the CFS includes, total assets (net) of Rs. 38.09 crore, total revenues of Rs. 5.30 crore and net cash Inflow of Rs. 18.54 crore of Joint Venture as referred to in note no. 2(A) & 2(B) of part B of schedule 19 and share of loss of Rs. 0.08 crore in Associates as referred to in note no. 3(B) of Part B of schedule 19 are unaudited and we have relied upon the unaudited financial statements as provided by the Company's Management for the purpose of consolidated financial statements of the Group.

5. We draw attention to note no:19 of part B of Schedule 19 regarding investment in and loans granted to subsidiary company and associates, considered good for the reasons stated in the note and note no:21 of part B of Schedule 19 regarding insurance claim receivable amounting to Rs. 80.63 crore, considered recoverable for the reasons stated therein.

6. Based on our audit, and on consideration of report of other auditors on separate financial statements / management certification and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements, read together with para 4 above, give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2009;

   (b) in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and

   (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For Gandhi & Parekh
Chartered Accountants

Devang B. Parekh
Partner
Membership No. 105789

Place: Mumbai
Dated: 29 July 2009

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2009

(Rs. Crore)

PARTICULARS	SCHEDULE NO.	AS AT 31 MAR 2009		AS AT 31 MAR 2008
I SOURCES OF FUNDS				
(1) Shareholder's Funds				
(a) Capital	1	196.97		187.17
(b) Share Application Money		329.06		-
(c) Share Warrants		10.20		110.16
(d) Reserves and Surplus	2	1,394.40		1,133.18
			1,930.63	1,430.51
(2) Minority Interest			5.57	23.75
(3) Loan Funds				
(a) Secured Loans	3	6,539.93		4,885.28
(b) Unsecured Loans	4	416.54		948.68
			6,956.47	5,833.96
(4) Deferred Tax Liability			308.12	215.33
(Refer Note No. 12 of Part B of Shedule 19)				
TOTAL			9,200.79	7,503.55
II APPLICATION OF FUNDS				
(1) Fixed Assets				
(a) Gross Block	5	4,705.10		3,507.77
(b) Less : Depreciation / Amortisation		797.46		563.17
(c) Net Block		3,907.64		2,944.60
(d) Capital Work-in-Progress	6	2,377.00		1,025.18
			6,284.64	3,969.78
(2) Investments	7		463.94	345.28
(3) Goodwill on Consolidation			49.22	-
(4) Foreign Currency Translation Monetary Account			11.20	-
(5) Deferred Tax Assets (Refer Note No. 12 of Part B of Shedule 19)			1.72	5.10
(6) Current Assets, Loans and Advances				
(a) Inventories	8	1,068.69		771.25
(b) Sundry Debtors	9	913.77		638.24
(c) Cash and Bank Balances	10	427.43		1,705.14
(d) Loans and Advances	11	665.32		652.22
		3,075.21		3,766.85
Less : Current Liabilities and Provisions				
(a) Current Liabilities	12	653.33		545.88
(b) Provisions	13	31.81		37.58
		685.14		583.46
Net Current Assets			2,390.07	3,183.39
TOTAL			9,200.79	7,503.55
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	19			

As per our attached report of even date

For Gandhi & Parekh
Chartered Accountants

Devang B. Parekh
Partner

Place: Mumbai
Dated: 29 July 2009

For and on behalf of the Board

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

Place: Mumbai
Dated: 29 July 2009

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2009

(Rs. Crore)

PARTICULARS	SCHEDULE NO.	YEAR ENDED 31 MAR 2009	YEAR ENDED 31 MAR 2008
INCOME			
Sales (inclusive of excise duty)	14	**3,113.59**	2,330..87
Less : Excise duty		**34.77**	63.29
		3,078.82	2,267.58
Job Work Charges collected (Tax Deducted at Source Rs. 0.03 Crore[Previous year Rs. 0.07 Crore])		**11.96**	14.43
		3,090.78	2,282.01
Other Income	15	**45.96**	69.08
Increase in Stocks of Finished Goods and Process Stock	16	**426.93**	103.83
		3,563.67	2,454.92
EXPENDITURE			
Purchase of Traded Goods		**121.68**	298.62
Manufacturing and Other Expenses	17	**2,627.53**	1,570.51
Interest (net)	18	**341.03**	133.13
Depreciation / Amortisation		**240.15**	166.19
PROFIT BEFORE TAX		**233.27**	286.47
Provision for Tax – Current tax		**(34.38)**	(34.76)
– MAT credit entitlement		**28.65**	4.12
– Deferred tax		**(88.48)**	(67.50)
– Fringe Benefit tax		**(1.79)**	(1.26)
Short provision for Income Tax in respect of earlier years		**(0.74)**	-
PROFIT FOR THE YEAR BEFORE MINORITY INTEREST		**136.53**	187.07
Add : Share of (Loss)/Profit from Associates		**(68.05)**	0.03
Minority Interest		**6.84**	2.55
Dilution in share of Minority Interest		**(1.27)**	-
PROFIT AFTER TAX		**74.05**	189.65
Add : Balance brought forward from previous year		**287.15**	216.14
AMOUNT AVAILABLE FOR APPROPRIATION		**361.20**	405.79
APPROPRIATIONS			
Add : Excess provision of Dividend of earlier year [including tax on dividend Rs. 0.02 crore (previous year Rs. 0.03 crore) (Refer Note no. 18 of Part B of Schedule 19)]		**0.17**	0.19
Less : Transfer to General Reserve		**-**	(19.00)
Transfer to Debenture Redemption Reserve		**(194.30)**	(73.55)
Proposed Dividend			
- On Equity Shares		**(14.77)**	(22.46)
Corporate Dividend Tax thereon		**(2.51)**	(3.82)
BALANCE CARRIED TO BALANCE SHEET		**149.78**	287.15
EARNINGS PER SHARE(in Rs.)(Refer Note No.13 of Part B of Schedule 19)			
Basic		**3.81**	10.88
Diluted: Before considering effect of Right Issue		**3.26**	8.52
After condisering effect of Right Issue		**1.38**	
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	19		

As per our attached report of even date

For Gandhi & Parekh
Chartered Accountants

Devang B. Parekh
Partner

Place: Mumbai
Dated: 29 July 2009

For and on behalf of the Board

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

Place: Mumbai
Dated: 29 July 2009

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

(Rs. Crore)

	PARTICULARS	YEAR ENDED 31 MAR 2009	YEAR ENDED 31 MAR 2008
A]	**Cash Flow from Operating Activities**		
	Net Profit Before Tax	**233.27**	286.47
	Adjustments for		
	Depreciation /Amortisation	**240.15**	166.19
	Unrealised gain on Cash and cash eqivalent	**-**	(0.28)
	Excess of cost over fair value of current Investments	**0.68**	0.04
	Exchange rate difference	**-**	(3.49)
	Dividend Income	**(0.17)**	(0.30)
	Interest Paid (net)	**341.03**	132.74
	(Profit) / Loss on sale of fixed assets (net)	**(2.33)**	(1.08)
	Profit on sale of Current Investments (net)	**3.25**	(0.19)
	Operating Profit before working capital changes	**815.87**	580.11
	Adjustments for		
	Increase in Inventories	**(297.43)**	(306.79)
	Increase in Trade Receivables	**(275.53)**	(93.72)
	Decrease / (increase) in Loans and Advances	**20.78**	(343.20)
	Increase in Current Liabilities	**79.25**	288.88
	Cash Generated from operations	**342.94**	125.28
	Income Taxes Paid	**(43.54)**	(51.03)
	Net Cash generated from operating activities	**299.39**	74.25
B]	**Cash Flow from Investing Activities**		
	Purchase of fixed assets	**(2,557.32)**	(1,633.86)
	Sale/adjustments of fixed assets	**27.25**	156.01
	Purchase of Investments	**(274.72)**	(223.42)
	Sale of Investments	**142.71**	85.09
	Margin Money Deposit matured/(placed)	**63.03**	98.25
	Dividend Received	**0.17**	0.30
	Interest Received	**77.33**	119.06
	Share Application Money paid	**(21.31)**	(106.69)
	Inter Corporate Deposit (granted) / refunded - Net	**0.04**	(5.81)
	Net Cash used in Investing Activities	**(2,542.81)**	(1,511.07)
C]	**Cash Flow from Financing Activities**		
	Proceeds from issue of Equity Share Capital (including premium) (Net)	-	9.52
	Share application money received (net)	**329.06**	-
	Issue of Share Warrants	-	110.16
	Proceeds from borrowings (Net)	**1,111.31**	2,610.80
	Dividend Paid (Including Tax thereon)	**(26.11)**	(27.70)
	Interest Paid	**(385.52)**	(248.24)
	Net cash generated from Financing Activities	**1,028.74**	2,454.55
	Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	**(1,214.68)**	1,017.73
	Cash and Cash equivalents		
	at the beginning of the year	**1,574.46**	556.73
	at the end of the year	**359.78**	1,574.46
	Net Increase/(Decrease) in Cash and Cash equivalents	**(1,214.68)**	1,017.73

Cash and Cash Equivalents

1 Components of Cash and Cash Equivalents include Cash and Bank Balances in Current, Cash Credit and Fixed deposits Accounts.

2 Proceeds from borrowings reflect the increase in Secured and Unsecured Loans and is net of repayments.

3 Purchases of fixed assets are stated inclusive of movements of Capital Work in Progress between the commencement and end of the year and are considered as part of investing activity.

4 Cash and Cash equivalents includes:

(Rs. Crore)

	YEAR ENDED 31 MAR 2009	YEAR ENDED 31 MAR 2008
Cash and Bank Balances	427.43	1,705.14
Less: Margin Money Deposits *	67.66	130.68
Total Cash and Cash equivalents	359.78	1,574.46

* Margin money being restricted for its use have been excluded from cash and cash equivalent and grouped under the investment activity, including for the previous year.

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

As per our attached report of even date

For Gandhi & Parekh
Chartered Accountants

Devang B. Parekh
Partner

Place: Mumbai
Dated: 29 July 2009

For and on behalf of the Board

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

Place: Mumbai
Dated: 29 July 2009

(Rs.Crore)

PARTICULARS	AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '1'		
CAPITAL		
Authorised :		
65,00,00,000 (Previous Year 27,50,00,000) Equity Shares of Rs.10/- each	**650.00**	275.00
NIL (Previous Year 2,50,00,000) Preference shares of Rs.10/- each	**-**	25.00
	650.00	300.00
Issued and Subscribed :		
Equity Share Capital		
19,69,74,969 (Previous Year 18,71,74,969) Equity shares of Rs.10/- each fully paid up	**196.97**	187.17
TOTAL	**196.97**	187.17

NOTES :

a) During the year 98,00,000 (previous year 1,68,02,995) equity shares are issued as under:

i] Nil (previous year 1,58,69,202) equity shares of Rs.10/- each are issued on conversion of Nil (previous year 459), 1% Foreign Currency Convertible Bonds (FCCBs) of USD 50,000/- each together with interest at a premium aggregating to Rs. Nil (previous year Rs. 97.74 crore).

ii] Nil (previous year 9,33,793) Equity Shares of Rs.10/- each are issued on preferential allotment to promoter group at a premium aggregating to Nil (previous year Rs. 8.59 crore)

iii] 98,00,000 (previous year Nil) Equity Shares of Rs. 10/- each are issued on conversion of 98,00,000 warrants to promoters at a premium of Rs. 90.16 crore (previous year Nil).

b) Of the above shares :

i] 7,45,396 equity shares were allotted as Bonus shares by way of capitalisation of General Reserve.

ii] 62,550 equity shares being forfeited shares were reissued during 2001.

(Rs. Crore)

PARTICULARS		AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '2'			
RESERVES AND SURPLUS			
Capital Reserve			
Balance as per last Balance Sheet		**0.03**	0.03
Capital Reserve (on Consolidation)			
Balance as per last Balance Sheet	**12.31**		-
Add : Addition on account of additional investment	**0.17**		12.31
		12.48	12.31
Capital Redemption Reserve			
Balance as per last Balance Sheet		**2.20**	2.20
Securities premium account			
Balance as per last Balance Sheet	**506.80**		400.47
Add : Received during the year	**90.16**		106.33
		596.96	506.80
General Reserve			
Balance as per last Balance Sheet	**215.04**		195.00
Add: Transferred from Profit and Loss Account	**-**		19.00
Add: Transfer from Foreign Currency Monetary Item Revaluation Reserve	**14.95**		
Add: Transitional effect of Leave Encashment	**-**		1.04
		229.99	215.04
Debenture Redemption Reserve			
Balance as per last Balance Sheet	**113.75**		40.20
Add: Transferred from Profit and Loss Account	**194.30**		73.55
		308.05	113.75
Foreign Currency Translation Reserve		**94.91**	(4.09)
Surplus in Profit and Loss Account		**149.78**	287.15
Total		**1,394.40**	1,133.18

(Rs. Crore)

PARTICULARS		AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '3'			
SECURED LOANS			
a. Debentures			
6.00% Redeemable Non Convertible Debentures	200.00		-
9.30% Redeemable Non Convertible Debentures	-		20.00
10.00% Redeemable Non Convertible Debentures	-		120.00
10.15% Redeemable Non Convertible Debentures	-		40.00
10.25% Redeemable Non Convertible Debentures	100.00		100.00
10.75% Redeemable Non Convertible Debentures	-		20.00
13.00% Redeemable Non Convertible Debentures	315.00		-
		615.00	300.00
b. Term Loans			
(1) From Financial Institutions			
- Rupee Loans	158.00		189.84
- Foreign Currency Loans	228.53		108.30
	386.53		298.14
(2) From banks			
- Rupee Loans	4,247.80		3,238.87
- Foreign Currency Loans	538.83		425.94
	4,786.63		3,664.81
(3) From Others			
Rupee Loans	43.00		43.00
	43.00		43.00
		5,216.16	4,005.95
c. From Banks on Cash Credit Accounts, Working capital demand loans etc.		704.72	572.85
[Including Rs. 146.74 crores demand loan in foreign currency (Previous year Rs. 139.81 crores)]			
d. Loans under Hire purchase/Lease Arrangements		4.05	6.48
TOTAL		6,539.93	4,885.28

Notes

1 Debentures are secured by :

	PARTICULARS	Nos	Date of redemption
a)	Debentures redeemed during the year		
	10.15% Redeemable Non convertible Debentures of Rs. 1,00,000/- each	2,000	26-Sep-08
	10.00% Redeemable Non convertible Debentures of Rs. 10,00,000/- each	650	25-Aug-08
	10.00% Redeemable Non convertible Debentures of Rs. 10,00,000/- each	100	10-Sep-08
	10.15% Redeemable Non convertible Debentures of Rs. 1,00,000/- each	2,000	01-Oct-08
	9.30% Redeemable Non convertible Debentures of Rs. 1,00,000/- each	2,000	03-Nov-08
	10.00% Redeemable Non convertible Debentures of Rs. 1,00,000/- each	4,500	17-Dec-08
	10.25% Redeemable Non convertible Debentures of Rs. 1,00,000/- each	5,000	12-Dec-08
	10.25% Redeemable Non convertible Debentures of Rs. 1,00,000/- each	5,000	01-Jan-09
	10.75% Redeemable Non convertible Debentures of Rs. 1,00,000/- each	2,000	18-Mar-09
	10.25% Redeemable Non convertible Debentures of Rs. 1,00,000/- each	10,000	27-Mar-09
b)	Debentures outstanding at the year end are redeemable as follows		
	6.00% Redeemable Non convertible Debentures of Rs. 1,000,000/- each	2,000	23-Sep-13
	10.25% Redeemable Non convertible Debentures of Rs. 1,00,000/- each	10,000	09-Apr-09
	13.00% Redeemable Non convertible Debentures of Rs. 100/- each	10,000,000	31-Jul-09
	13.00% Redeemable Non convertible Debentures of Rs. 100/- each	15,000,000	07-Aug-09
	13.00% Redeemable Non convertible Debentures of Rs. 100/- each	6,500,000	31-Aug-09

c) All the debentures in a) and b) above are / were secured by pari passu charge on the immovable property situated at Mouje Irana, Taluka Kadi, District Mehsana in the state of Gujarat

2 Term Loans are secured as under :

a) Term Loans from financial institutions and from Banks (Including foreign currency loans) to the extent of Rs. 175.14 crore (previous year Rs. 202.41 crore) and Rs. 2,845.10 crore (previous year Rs. 2,689.29 crore) respectively, are secured by (i) a pari passu first charge created/to be created on all present and future movable and immovable assets of the company subject to exclusive charges created/to be created on specific fixed assets in favour of specified lenders. (ii) a charge created/ to be created on all current assets of the company subject to a prior charge on such current assets created/to be created in favour of the company's bankers towards working capital requirements and (iii) the personal guarantees of three promoter directors.

b) Term Loan from the bank to the extent of Rs. 23.48 crore (Previous Year Rs.17.99 crore) is secured by (i) a first charge created/ to be created on the entire present and future movable fixed assets of the company (ii) mortgage of immovable properties located at falandi-Silvassa (iii) the personal guarantee of three Promoter Directors of the Company.

c) Term Loan from banks to the extent of Rs. 176.78 crore (previous year Rs. 152.81 crore) is secured by (i) an exclusive charge created on specific assets financed by them and (ii) the personal guarantees of three promoter directors.

d) Term Loans Financial Institutions and from Banks to the extent of Rs. 408.91 crore (previous year Rs. 225.21 crore) and Rs. 84.01 crore (previous year Rs. 77.74 crore) respectively, are secured by (i) subservient charge on all movable assets of the Company present and future subject to prior charge on specific movable assets in favour of the company's term lenders and towards working capital requirements (ii) the personal guarantee of three Promoter Directors of the Company.

e) Term Loans from the Banks to the extent of Rs. 18.88 crore (previous year Rs. 15.58 crore) are secured by (i) subservient charge on all assets of the Company excluding Land and Building (ii) Pledge of company's investment in a subsidiary, viz. Alok Industries International Limited (iii) the personal guarantee of three Promoter Directors of the Company.

f) Term Loan from the Bank to the extent of Rs. 1313.48 crore (previous year Rs. 581.92 crore), are secured by subservient charge on all present and future moveable fixed assets, stocks and receivables of the Company subject to prior charge in favour of the Company's term lenders and working capital bankers.

g) Term Loan from others to the extent of Rs. 43.00 crores (Previous Year Rs. 43.00 crores) is secured by a pari passu first charge on all present & future current assets, movable properties, right under project agreements, lease rental contracts at Mumbai & Silvassa.

h) Term Loan from Financial Institution of Rs. 127.38 crore (previous year Rs. Nil) crore is secured by (i) subservient charge on all the present and future moveable fixed assets of the company except land and building

3 Working Capital limits from banks are secured by (i) hyopthecation of Company's inventories, book debts etc. (ii) second charge created / to be created on t he fixed assets of the Company (iii) immovable properties belonging to the Company / group companies and (iv) the personal guarantees of three promoter directors of the Company.

4 Hire Purchase Loans are secured by the respective assets, mainly Plant and Machinery and Equipments, purchased under the said loans.

(Rs. Crore)

PARTICULARS		AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '4'			
UNSECURED LOANS			
(a) Term Loans and Advances			
From Banks and Financial Institutions			
- Rupee Loans	**218.03**		829.98
- Foreign currency loans	**77.50**		18.31
		295.53	848.29
b) Other Loans & Advances			
475 (previous year 475) 1% Foreign Currency Convertible Bonds (FCCBs) (See Note no.9 of Part B of Schedule 19)		**121.01**	94.87
From Director (Rs. Nil (Previous Year Rs. 29,056/-)]		-	-
From Others		-	5.52
TOTAL		**416.54**	948.68

NOTES:

1 Term Loans from Banks

a) Includes commercial paper of Rs. Nil (Previous Year Rs. Nil) maximum amount outstanding at any time during the year Nil (Previous Year Rs. 110.00 crore)

b) To the extent of Rs. 115.00 crore (Previous year Rs. 159.99) are secured by Personal Guarantee of three Promoter Directors

2 Short term foreign currency loan Nil (Previous Year Rs. 15.01 crore) from Banks are secured by (i) personal guarantee of three Promoter Directors and (ii) power of attorney to create first charge on the fixed assets of the Company in case of default.

SCHEDULE '5'
FIXED ASSETS

(Rs. Crore)

SR. NO.	DESCRIPTION OF ASSETS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
		AS AT 1 APR 2008	ADDITIONS ON ACQUISITION OF SUBSIDIARY	ADDITIONS	DEDUCTIONS/ ADJUSTMENTS	AS AT 31 MAR 2009	AS AT 1 APR 2008	ACCUMULATED DEPRECIATION ON ACQUISITON OF SUBSIDIARY	FOR THE YEAR #	DEDUCTIONS/ ADJUSTMENTS	AS AT 31 MAR 2009	AS AT 31 MAR 2009	AS AT 31 MAR 2008
	OWN ASSETS:												
1	Freehold Land	53.07	-	29.22	-	82.29	-	-	-	-	-	82.29	53.07
2	Leasehold Land	0.56	-	-	-	0.56	0.11	-	0.01	-	0.12 *	0.44	0.45
3	Factory Building	756.41	-	329.45	-	1,085.87	73.93	-	27.81	-	101.74	984.12	682.48
4	Office Premises	26.54	-	-	-	26.54	1.41	-	0.43	-	1.84	24.70	25.13
5	Plant and Machinery	2,498.88	0.18	826.55	29.98	3,295.64	452.38	0.00	195.38	5.30	642.46 @	2,653.18	2,046.50
6	Computer and Peripherals	17.90	-	4.91	0.15	22.67	7.52	-	3.01	0.15	10.37	12.29	10.40
7	Office Equipment	6.05	-	1.97	-	8.02	1.30	-	0.47	-	1.77	6.25	4.75
8	Furniture and Fittings	38.24	-	17.58	-	55.83	7.69	-	2.84	-	10.53	45.29	30.55
9	Vehicles	5.43	-	0.05	0.28	5.20	1.93	-	0.50	0.13	2.30	2.90	3.50
10	Tools and Equipment	19.92	-	16.19	-	36.11	2.04	-	1.62	-	3.66	32.45	17.88
	Sub - Total	3,423.01	0.18	1,225.92	30.41	4,618.73	548.31	0.00	232.07	5.58	774.81	3,843.92	2,874.71
	LEASED ASSETS :												
1	Plant and Machinery	22.38	-	-	-	22.38	6.24	-	1.65	-	7.89	14.49	16.14
2	Computer and Peripherals	0.22	-	-	-	0.22	0.19	-	0.01	-	0.21	0.01	0.03
3	Vehicles	0.18	-	-	-	0.18	0.01	-	0.02	-	0.02	0.16	0.18
	Sub - Total	22.78	-	-	-	22.78	6.44	-	1.68	-	8.12	14.66	16.34
	INTANGIBLE ASSETS												
1	Computer Software	6.94	-	1.99	0.38	8.55	4.29	-	0.90	0.30	4.90	3.65	2.64
2	Trademarks / Brands	55.04	-	-	-	55.04	4.13	-	5.50	-	9.63	45.41	50.91
	Sub - Total	61.98	-	1.99	0.38	63.59	8.42	-	6.40	0.30	14.53	49.06	53.56
	Total	3,507.77	0.18	1,227.91	30.79	4,705.10	563.17	0.00	240.15	5.88	797.46	3,907.64	2,944.61
	TOTAL PREVIOUS YEAR	2,345.72	130.47	1,265.82	234.24	3,507.77	370.40	105.77	166.31 +	79.31	563.17	2,944.60	1,975.32

Notes :

1. Plant and Machinery acquired on lease includes Rs.8.12 crore (Previous year Rs. 8.12 crore) incurred by company for installation etc.
2. Plant and Machinery includes Rs. 166.46 crore (Previous year Rs. Nil) being increase in liability payable in foreign currency consequent upon changes in the exchange rates.
3. Intangible assets consisting of Trade Marks / Brands aggregating to Rs. 56.57 Crore (Previous year Rs. 55.04) WDV Rs. 46.89 Crore (Previous year Rs. 50.91 Nil) which are not registered in the name of the company. The Company is taking necessary steps to get these Trade Marks / Brands registered in its name.

Depreciation for the period includes Rs. 0.34 crore (Previous Year Rs. 0.35 crore) being deprecition related to pre acquistion period of increse in stake of subsidiary company.

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

\+ Depreciation Includes depreciation transfer to pre operative expenses Rs. Nil (Previous Year.0.12 Crore)

@ Includes Rs. 0.11 crore depreciation on Exchange Rate Differnce capitalised for the financial year 07-08 and debited to General Reserve

(Rs.Crore)

PARTICULARS	AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '6'		
CAPITAL WORK IN PROGRESS		
Capital Expenditure On Projects	**1,823.04**	932.85
Advance for Capital Expenditure	**553.96**	92.33
TOTAL	**2,377.00**	1,025.18

Capital expenditure incurred on Projects includes :

i] Rs. 75.50 crore (Previous year Rs. 20.69 crore) on account of pre-operative expenses (Refer Note No. 11 of part B of schedule 19)

ii] Rs. 1,747.54 crore (Previous year Rs. 894.81 crore) on account of cost of construction material and plant and machinery under erection.

(Rs. Crore)

PARTICULARS		AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '7'			
INVESTMENTS			
A) LONG TERM INVESTMENTS			
(At cost / carrying amount unless otherwise stated) - fully paid			
In Equity shares			
Others - Unquoted (Trade)			
Shirts Company (India) Pvt. Limited			
[1,00,000 (Previous year 2,33,333) Equity Shares of Rs.10/- each]	**0.50**		3.50
Dombivali Nagrik Sahakari Bank Limited.			
[10,000 Equity Shares of Rs. 50/- each]	**0.05**		0.05
Kalyan Janata Sahakari Bank Limited			
[10,000 Equity Shares of Rs. 25/- each]	**0.03**		0.03
Alspun Infrastructure Limited			
[25,000 Equity shares of Rs.10 each]			
(Including goodwill on acquistion of stake of Associates Rs. 0.04 crores)	**0.08**		0.03
Less : Share in Current Year loss	**(0.06)**		-
	0.02		0.03
Grabal Alok (UK) Limited			
[237,197,008 (Previous year 184,131,580) Ordinary Shares of GBP 0.001 each]	**354.67**		219.87
(Including goodwill on acquistion of stake of Associates Rs. 229.85 Crores)			
Less: Share in current year loss	**(67.92)**		-
	286.75		219.87
Ashford Infotech (50,000 Equity Shares of Rs. 10/- each)	**0.08**		0.05
Add/Less : Share in Current Years Profit/ (Loss)*	**(0.08)**		0.03
		287.34	0.08
Quoted (Trade)			
Grabal Alok Impex Limited			
19,00,000 Equity Shares of Rs.10/- each (Pledged against finance availed)		**3.99**	3.99
In Preference Shares			
In Associates Company			
7,470,552 (Previous Yar Nil) Preference shares in			
Grabal Alok International Limited of USD 1/- each.		**38.06**	-
B) CURRENT INVESTMENTS (At lower of cost or fair value)-fully paid			
In Bonds - Unquoted			
5, 7.50% Bank of India - Series VIII bonds of Rs.10,00,000/- each	-		0.50
10, 8.90% IDBI Limited Bonds of Rs.10,00,000/- each	-		1.00
100, 7.60% Syndicate Bank - Series IX bonds of Rs.10,00,000/- each	-		10.00
3, (Previous Year 2) 7.39% Power Grid Corporation			
Bonds Of Rs. 10,00,000/- Each	-		0.19
2, 7.10% Power Grid Corporation bond of Rs.10,00,000/- each	-		0.18
20, 9.25% Dena Bank Non-convertible Redeemable Subordinated			
Bonds (Tier II Bonds Series IX)	-		2.00
30, 9.20% Central Bank of India Tier II Bonds Series XI	-		3.00
		-	16.87
In Debentures - Unquoted			
Nil (Previous Year 1) 7.40% Non Convertible Debentures of Mahindra &			
Mahindra Finance Limited of Rs. 10,00,000/- each	-		0.10
Nil (Previous Year 1) 7.50% Non Convertible Debentures of Mahindra &			
Mahindra Finance Limited of Rs. 10,00,000/- each	-		0.10
Nil (Previous Year 1l) 7.50% Non Convertible Debentures of Citicorp			
Finance (India) Limited of Rs. 10,00,000/- each	-		0.10
		-	0.30

(Rs. Crore)

PARTICULARS	AS AT 31 MAR 2009		AS AT 31 MAR 2008
In Mutual Funds - Unquoted			
Canbank Fixed Maturity Plan - Growth	-		2.00
Nil (Previous year 20,00,000)units of Rs.10/- each)			
AXIS Infrastructure Fund	**5.69**		-
(51,033.333 (Previous year Nil) units of Rs.10/- each)			
Birla Sun Life Saving Fund	**1.00**		-
[9,81,758.919 (Previous year Nil.) units of Rs. 10/- each]			
SBI Magnum Insta Cash Fund	**0.00**		0.00
[1,372.31 (Previous Year 1,288.32) units of Rs. 10/- each Rs. 22,986/- (Previous year Rs. 21,580/-)]			
Principal PNB Long Term Equity Fund 3 Year Plan - Series II	**0.56**		1.22
(12,50,000 (Previous year 12,50,000) units of Rs.10/- each)			
Mirea Asset Gilt Fund Investment Plant - Institutional Growth	**0.98**		-
[9,86,679.822 (Previous year Nil.) units of Rs. 10/- each]			
		8.24	3.22
C) Share Application Money			
To Associate companies			
Alspun Infrastructure Limited	**14.12**		10.60
Ashford Infotech Private Ltd	**67.79**		50.00
		81.91	60.60
Others			
Aurangabad Textiles & Apparel Parks Limited	-		6.50
New City Of Bombay Mfg. Mills Limited	-		30.25
		-	36.75
D) Others			
PowerCor		**37.73**	-
(Subscription towards 5% Group B Membership interest)			
AisLe 5 LLc			
(22 Senior Units of the equity capital)		**6.67**	-
Total		**463.94**	345.28
Note:			
1) Quoted Investment : Aggregate cost / carrying value		**3.99**	3.99
: Aggregate market value		**8.73**	18.24
2) Unquoted Investment : Aggregate cost / carrying value		**333.65**	243.94

* Share of loss restricted to the original cost of investment as per equity method of accounting for associates under AS-23 'Accounting for Investments in Associates in Consolidated Financial Statements'

PARTICULARS	Nos.	Face Value Rs. per Unit/ Share /Bond	Purchase Cost (Rs. Crore)
Investments bought and sold during the year			
Bonds			
7.39% Power Grid Corporation Bonds	3.00	1,000,000.00	0.29
7.10% Power Grid Corporation Bonds	2.00	1,000,000.00	0.19
8.98% National Region Planning Board	1.00	1,000,000.00	0.10
9.80% Citi Financial Consumer Finance	1.00	1,000,000.00	0.11
8.73% Power Grid Corporation	6	1,250,000.00	0.77
7.25% ICICI Bank Limited	1	1,000,000.00	0.10
6.00% ICICI Bank Limited	200	5,000.00	0.10
6.00% Bajaj Auto Finance Ltd	1	1,000,000.00	0.10
9.24% L&T Finance Ltd	1	1,000,000.00	0.10
9.45% Citi Financial Consumer Finance Ltd.	1	1,000,000.00	0.11
8.49% Power Finance Corporation	1	1,000,000.00	0.10
Debentures			
7.75% Non Convertible Debentures of Mahindra & Mahindra Finance Limited	1	1,000,000.00	0.10
Mutual Fund Units			
LIC MF Liquid Fund -Growth Plan	16,913,262.03	10.00	25.00
LIC MF Floting Rate Fund	18,619,893.49	10.00	25.00
SBI Premium Liquid Fund - Growt h	748,934.64	10.00	1.00
LIC MF Liquid Fund -Growth Plan	16,461,880.87	10.00	25.00
LIC MF Liquid Fund -Growth Plan	9,824,405.13	10.00	15.00
Edelweisse Liquid Fund	1,000,000.00	10.00	1.00
LIC MF Liquid Fund -Growth Plan	16,297,155.82	10.00	25.00
Baroda Pioneer Mutual Fund	658,514.26	10.00	1.00
Dbs Chola Fixed Maturity Plan-Series-11	5,000,000.00	10.00	5.00
Sbi Debt Fund Series 90 Days 28-Growth	500,000	10.00	0.50
Mirae Asset Liquid Fund Institutional Growth Option	47,609.83	1,000.00	5.00
LIC MF Liquid Fund -Growth Plan	6,473,455.60	10.00	10.00

(Rs. Crore)

PARTICULARS		AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '8'			
INVENTORIES [At Cost or Net Realisable value whichever is lower]			
Stores, Spares, Packing Materials and others		**25.38**	18.83
Accessories		**0.24**	0.07
Stock-In-trade :			
Raw Materials	**137.87**		273.21
Process Stock	**608.40**		262.93
Finished Goods / Traded Goods	**296.80**		215.30
Merchandise	-		0.87
		1,043.07	752.31
Stock in Transit		-	0.04
TOTAL		**1,068.69**	771.25

(Rs. Crore)

PARTICULARS	AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '9'		
SUNDRY DEBTORS (Unsecured)		
Debt outstanding for a period exceeding six months	**16.58**	**38.27**
Other Debts	**901.09**	**603.63**
Gross	**917.67**	**641.90**
Less : Provision	**3.90**	**3.66**
TOTAL	**913.77**	**638.24**
Considered Good	**913.77**	**638.24**
Considered Doubtful	**3.90**	**3.66**
TOTAL	**917.67**	**641.89**

Note: Sundry debtors includes Rs. 19.38 Crore (Previous year Rs. 35.71 Crore) towards contractual obligations on account of Export Incentives Receivable.

(Rs. Crore)

PARTICULARS	AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '10'		
CASH AND BANK BALANCES		
Cash on hand	**0.79**	3.48
Bank Balances :		
a) With Scheduled Banks :		
- In Cash Credit Accounts	**1.87**	5.36
- In Current Accounts	**104.38**	17.54
- In Deposit Accounts [including interest accrued thereon Rs. 0.88 crore (Previous Year Rs. 17.09 crore)]	**130.38**	1,490.81
- In Margin Money Deposits	**67.66**	130.68
b) With Others		
- In Current Account	**78.57**	0.11
- In Deposit Accounts	**43.78**	57.13
[Maximum amount outstanding at any time during the period Rs. 181.25 crore (Previous year Rs. 89.96 crore)]		
FD Interest Receivable	-	0.03
TOTAL	**427.43**	1,705.14

Cash and Bank balance includes

1) Rs. 92.63 crore (previous year Rs. 864.78 crore) kept in bank deposits, pending utilisation towards project.
2) Rs. 26.57 crore (previous year Rs. 87.49 crore) towards 100% LC margin against import of Plant & Machinery

(Rs. Crore)

PARTICULARS	AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '11'		
LOANS AND ADVANCES		
[Unsecured, considered good]		
Advances recoverable in cash or in kind or for value to be received	**582.19**	604.49
Loans - Inter Corporate Deposits	**11.96**	12.00
Deposits	**10.77**	9.88
Balances with Central Excise Collectorate	**0.13**	0.18
Mat Credit Entitlement (Refer Note No. 17 of part B of schedule 19)	**33.93**	5.23
Advance Tax (Net of provision for tax)	**25.65**	20.43
Interest accrued but not due	**0.69**	-
TOTAL	**665.32**	652.22

Loans and Advances includes :

a) Rs. 93.72 crore (previous year Rs. 58.19 crore) towards Modvat credit balances to be utilised in the subsequent years
b) Rs. 143.59 crore (previous year Rs. 123.75 crore) towards interest / capital subsidy receivable under the TUF scheme of Government of India
c) Rs. 2.05 crore (previous year Rs. 7.86 crore) being deposits towards office/residential premises taken on rental basis.
d) Rs. 0.22 crore (previous Year Rs. 0.33 crore) due from officers of the Company[maximum amount outstanding during the year Rs. 0.33 crore (Previous year Rs. 0.43 crore)]
e) Rs. 80.63 crore (previous year Rs. 90.74 crore) towards insurance claim receivable (See Note No. 21 of part B of schedule 19)

(Rs. Crore)

PARTICULARS		AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '12'			
CURRENT LIABILITIES			
Sundry Creditors [including Acceptances Rs. 104.13 Crores, (Previous year Rs. 139.88 Crores)]			
Total Outstanding dues to :			
- Micro Enterprises & Small Enterprises*	**0.29**		0.31
- Creditors other than Micro Enterprises & Small Enterprises	**514.96**		500.13
		515.25	500.44
Unclaimed Dividend		**0.44**	0.38
Interest Accrued but not due on loans		**58.03**	25.20
Advance from customers		**79.61**	19.86
TOTAL		**653.33**	545.88

Notes: * As per information available with the Company

Sundry Creditors includes Rs. 0.63 crore (previous year Rs.0.01 crore) being overdrawn bank balances as per books consequent to issue of cheques at the period end though the banks have positive balances as on that date.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

(Rs. Crore)

PARTICULARS	AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '13'		
PROVISIONS		
Provision for Gratuity and Compensated Absences	**9.90**	5.27
Proposed Dividend	**14.77**	22.46
Provision for Tax on Dividend	**2.51**	3.82
Provision for Taxation (Net of Advance tax)	**4.58**	6.02
Provision for FBT	**0.05**	0.01
TOTAL	**31.81**	37.68

(Rs. Crore)

PARTICULARS	AS AT 31 MAR 2009		AS AT 31 MAR 2008
SCHEDULE '14'			
SALES			
Sales – Local	**2,075.49**		1,293.28
Sales – Export	**971.83**		994.35
		3,047.32	2,287.63
Export Incentive		**66.27**	43.24
TOTAL		**3,113.59**	2,330.87

(Rs. Crore)

PARTICULARS	AS AT 31 MAR 2009		AS AT 31 MAR 2008
SCHEDULE '15'			
OTHER INCOME			
Dividend Income :			
On Long Term Investment	**0.15**		0.27
On Current Investment	**0.02**		0.03
		0.17	0.30
Interest from bank		-	0.39
Insurance Claim received		-	0.07
Miscellaneous Income		**24.15**	13.04
Profit on sale of Current Investments (Net)		-	0.19
Profit on sale of Fixed Assets (Net)		**2.33**	1.08
Exchange Rate difference (Net)		**16.63**	50.34
Provision for Doubtful Debts and advances written back		**1.39**	3.24
Interest from Bank (FDR)		**1.14**	-
Interest on others		**0.05**	-
Scrap Sales		**0.01**	-
Sundry Credit Balances written back		**0.09**	0.43
TOTAL		**45.96**	**69.08**

(Rs. Crore)

PARTICULARS	AS AT 31 MAR 2009		AS AT 31 MAR 2008
SCHEDULE '16'			
INCREASE IN STOCK OF FINISHED GOODS AND PROCESS STOCK			
CLOSING STOCK AS ON 31 MARCH 2009			
Finished Goods / Traded Goods	**296.80**		215.30
Process Stock	**608.40**		262.93
Stock in transit	-		0.04
		905.20	478.27
LESS : TRANSFERRED*			
Finished Goods / Traded Goods	**-**		-
Process Stock	-		0.39
		-	0.39
LESS: OPENING STOCK AS ON 1 APRIL 2008			
Finished Goods / Traded Goods	**215.30**		170.21
Process Stock	**262.93**		203.85
Stock in Transit	**0.04**		-
		478.27	374.06
TOTAL		**426.93**	103.83

* Being unutilised inventory on completion of project includes transfer of inventory on completion of project. (Refer Note No. 11 of part B of schedule 19)

Note: [Excludes inventory amounting to Rs. Nil crore (previous year Rs. 41.73 crore) destroyed due to fire. (Refer Note No. 21 of part B of schedule 19)]

(Rs. Crore)

PARTICULARS		AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '17'			
MANUFACTURING AND OTHER EXPENSES			
Raw Material Consumed		**1,850.46**	1,011.54
Payment to and Provisions for Employees:			
Salaries, Wages and Bonus	**140.03**		103.14
Contribution to Provident Fund and Other Funds	**4.44**		2.73
Employees Welfare Expenses	**3.88**		4.24
		148.35	110.11
Operational and Other Expenses			
Stores and Spares Consumed		**49.28**	32.70
Packing Materials Consumed		**42.09**	35.28
Power and Fuel		**212.25**	121.62
Processing Charges		**28.74**	31.72
Labour Charges		**28.02**	20.79
Excise Duty		**3.49**	5.20
Donation		**1.16**	1.83
Exchange Rate Difference		**4.70**	
Freight, Coolie and Cartage		**47.19**	53.18
Legal and Professional Fees		**15.87**	7.06
Rent		**19.01**	9.23
Rates and Taxes		**5.89**	3.01
Repairs and Maintenance			
Plant and Machinery	**5.55**		3.29
Factory Building	**0.96**		0.77
Others	**3.40**		3.36
		9.91	7.42
Commission on Sales		**17.14**	10.64
Provision for Doubtful Debts and Advances		**1.63**	3.03
Travelling Expenses		**0.73**	-
Loss by Fire (Refer Note No. 21 of part B of Schedule 19)		-	9.11
Directors Remuneration		**7.20**	5.60
Directors Fees and Commission		**5.09**	5.04
Auditors Remuneration			
Audit Fees	**0.52**		0.24
Tax Audit Fees	**0.02**		0.01
Certification Fees	**0.01**		0.02
		0.55	0.27
Insurance		**5.95**	3.54
Loss on Sale of Fixed Assets (net)		**3.25**	**-**
Excess of Cost over Fair value of current Investments		**0.68**	0.04
Provision for diminution in value of investment		**0.43**	-
Miscellaneous Expenses		**118.47**	82.57
(Miscellaneous Expenses includes Printing and Stationery, Bank Charges, Advertisement, Bill Discounting Charges etc.)			
TOTAL		**2,627.53**	1,570.51

(Rs. Crore)

PARTICULARS		AS AT 31 MAR 2009	AS AT 31 MAR 2008
SCHEDULE '18'			
INTEREST (NET)			
Interest Paid:			
On Debentures	**71.19**		16.33
On Fixed Loan	**209.56**		147.80
[Net of Interest Subsidy Rs. 142.46 crore (previous year Rs. 119.22 crore)]			
Other Interest	**1.76**		1.67
On Cash Credit Accounts, etc.	**124.58**		86.00
Premium of Redemption of Debentures	**11.27**		-
		418.36	**251.80**
Less : Interest Received on Loans, Deposits etc.			
[Tax Deducted at Source Rs. 19.49 crore (Previous Year Rs. 19.31 crore)]		**77.33**	118.67
TOTAL		**341.03**	133.13

SCHEDULE `19'

(a) SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

The consolidated financial statements of Alok Industries Limited, its subsidiaries and associates Joint Venture are prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1956.

2. Principles of Consolidation

The consolidated financial statements relate to Alok Industries Limited, its subsidiaries and associates ("the Group"). The consolidated financial statements (drawn up to the same reporting date as of the company, except in the case of Grabal Alok (UK) Limited where the financial statements have been drawn up to 28 March 2009) have been prepared on the following basis.

a) The financial statements of the company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in un realised profit or losses, as per Accounting Standard (AS) 21 "Consolidated Financial Statements" as notified by Company (Accounting Standards) Rules 2006.

b) The Financial Statements of the Joint Venture entities have been considered on a line by line basis by adding together the book value like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealised profit or losses by using "Proportionate Consolidation" Method, the investment in Joint Venture entities over a holding company's portion of equity is recognised as a capital reserve/ goodwill as per Accounting Standard 27 on "Financial Reporting of Interest in Joint Venture" as notified by the Company (Accounting Standards) Rules 2006..

c) The consolidated financial statments include the share of profit / loss of associate companies in which the investor has significant influence and which is neither a subsidiary nor a joint venture, which are accounted under the "Equity Method" as per which the share of profit of the associate Company has been added to the cost of investment, and its share of pre-acquisition profits/losses is reflected as Capital Reserve/Goodwill in the carrying value of Investment in accordance with Accounting Standard 23 on Accounting for Investment in Associates in Consolidated Financial Statement as notified by Company (Accounting Standards) Rules 2006.

d) The excess of cost to the company of its investment in subsidiary companies, the Joint Venture entities over its share of equity of the subsidiary companies at the dates, on which the investments are made, is recognised as "Goodwill" being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies, Joint Venture entities as on the date of investment is in excess of cost of investment of the company, it is recognised as "Capital Reserve" and shown under the head 'Reserves & Surplus', in the consolidated financial statements.

e) Minority Interest in the net assets of consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

f) Consolidated Financial Statement have been prepared using uniform accounting policies for like transaction & other events in similar circumstances, however in case of depreciation it was not practicable to use uniform accounting policy,however, in the case of a subsidiary company 'Mileta, a.s.' having gross block of assets Rs. 112.37 crore (Previous Year Rs.111.25 crore) i.e. 2.39% (Previous year 3.17%)of group fixed assets and depreciation on the same for the year is Rs. 6.00 crore (Previous Year Rs.4.40 crore) i.e. 2.50% (Previous Year 2.65%) of total depreciation has been calculated on written down value method.

g) As per Accounting Standard Interpretation (ASI) 15 on Notes to the Consolidated Financial Statements, only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and / or a parent having no bearing on the true and fair view of the consolidated financial statements are not disclosed in the consolidated financial statements.

3. Use of Estimates

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

4. **Revenue Recognition**

a) Revenue on sale of products is recognised when the products are despatched to customers, all significant contractual obligations have been satisfied and the collection of the resulting receivable is reasonably expected. Sales are stated net of trade discount, returns and sales tax collected.

b) Revenue from construction contract is recognised by adopting "Percentage Completion Method". It is stated on the basis of physical measurement of work actually completed at the balance sheet date, taking in to account contract price and revision thereto.

c) Revenue in respect of insurance / other claims, interest etc. is recognised only when it is reasonably certain that the ultimate collection will be made.

5. **Fixed Assets**

a) **Own Assets:**

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

b) **Assets taken on lease**:

1) **Finance Lease:**

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

2) **Operating Lease:**

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

6. **Investments**

Investments classified as Long Term Investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of investments. Current investments are carried at cost or fair value whichever is lower.

7. **Capital Work-in-Progress**

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

8. **Depreciation / Amortization**

a) Depreciation on Fixed Assets is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

b) Cost of leasehold land is amortized over the period of lease.

c) Trademarks are amortized over the period of ten years from the date of capitalisation.

d) Computer Software is amortized over the period of five years from the date of capitalisation.

9. **Foreign Currency Transactions**

Income or Expenses in foreign currencies are converted at the exchange rate prevailing on the date of the transaction. Non-monetary foreign currency items are carried at cost using the exchange rate prevailing on the date of transaction. Monetary items are reported using closing rate of exchange prevailing at the end of the year.

In case of subsidiaries, the operations of which are considered as integral, the balance sheet items have been translated at closing rate except share capital and fixed assets, which have been translated at the transaction date. The income and expenditure items have been converted at the average rate of the year. Exchange gain / (loss) is recognised in the profit and loss account.

In case of subsidiaries, the operations of which are considered as non-integral, the balance sheet items are translated at closing rate prevaling rate at the end of the year and items of income and expenditure have been translated at the average rate for the year. Exchange gain / (loss) on conversion is recognised under "Foreign Currency Translated Reserve".

10. **Inventories**

Items of Inventories are valued on the basis given below:

1. Raw Materials, Packing Materials, Stores and Spares and Trading goods: at cost determined on First – In – First – Out (FIFO) basis or net realisable value, whichever is lower.

2. Work-in-Progress on construction contract reflects value of material inputs and expenses incurred on contract.
3. Process stock and Finished Goods: At weighted average cost or net realizable values whichever is lower. Cost comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventory to their present location and condition.

11. Employee Benefits (Refer Note No. 14 of Part B of Schedule 19)

a) Defined Contribution Plan

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

b) Defined Benefit Plan and other long term benefit plan

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

c) Short Term Employee Benefits

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

12. Accounting of CENVAT credit

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

13. Government Grants

Grants, in the nature of interest / capital subsidy under the Technology Upgradation Fund Scheme (TUFS), are accounted for when it is reasonably certain that ultimate collection will be made. Government grants not specifically related to fixed assets are recognised in the Profit and Loss Account in the year of accrual / receipt.

14. Borrowing Costs

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

15. Income taxes

Tax expense comprises of current tax, deferred tax and fringe benefit tax (FBT). Current tax and deferred tax are accounted for in accordance with Accounting Standard (AS) 22 on "Accounting for taxes on Income". Current tax is measured at the amount expected to be paid / recovered from the tax authority using the applicable tax rates. Deferred tax assets and liabilities are recognised for future tax consequence attributable to timing difference between taxable income and accounting income that are capable of reversing in one or more subsequent periods and are measured at relevant enacted / substantively enacted tax rates. At each Balance Sheet date, the Company reassesses unrealised deferred tax assets to the extent they become reasonably certain or virtually certain of realisation, as the case may be. FBT is recognised in accordance with the relevant provision of Income-tax Act, 1961 and the Guidance Note on FBT issued by ICAI. Minimum Alternate Tax (MAT) credit entitlement is recognised in accordance with the Guidance Note on "Accounting for credit available in respect of Minimum Alternate Tax under the Income-tax Act, 1961" issued by ICAI (Refer note no. 17 of Part B of Schedule 19).

16. Intangible Assets

Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

17. Impairment of Fixed Assets

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

18. Provisions, Contingent Liabilities and Contingent Assets

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

19. Issue Expenses

Expenses incurred in connection with the issue of shares, debentures and Foreign Currency Convertible Bonds, are adjusted against Securities Premium Account.

20. Accounting for Derivatives

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

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

B) NOTES TO ACCOUNTS

1. **The subsidiary / fellow subsidiary companies considered in the consolidated financial statements are: .**

Sr. No.	Name of Subsidiaries / Fellow Subsidaries	Country of Incorporation	Ownership Interest 31 MAR 2009	Ownership Interest 31 MAR 2008
A	Alok Infrastructure Limited +	**India**	100%	100%
B	Alok Land Holdings Private Limited	**India**	100%	100%
C	Alok Realtors Private Limited	**India**	100%	100%
D	Alok Retail (India) Limited (Formerly known as Alok Homes & Apparel Private Limited)*	**India**	100%	100%
E	Alok Apparels Private Limited	**India**	100%	100%
F	Amigo Sports Private Limited (Formerly known as Alok Clothing Private Limited)(Ceased to be a subsidiary w. e. f. 23 December 2008)	**India**	-	100%
G	Alok New City Infratex Private Limited	**India**	100%	100%
H	Alok Aurangabad Infratex Private Limited	**India**	100%	100%
I	Alok HB Hotels Private Limited	**India**	100%	-
J	Alok HB Properties Private Limited	**India**	100%	-
K	Alok Industries International Limited	**British Virgin Island**	100%	100%
L	Alok Inc.	**USA**	100%	100%
M	Alok International Inc.(w. e. f. 5 May 2008)	**USA**	100%	-
N	Mileta, a. s.(w. e. f. 16 July 2008)	**Czech Republic**	79.62%	60%
O	Alok European Retail, s.r.o.	**Czech Republic**	100%	-

\+ The status of the company has been changed from “Private Limited” to “Public Limited”w.e.f.13 October 2008

* The company in accordance with the resolution passed by members by way of postal ballot on 28 November 2008 hived off its retail business to a 100% subsidiary, namely Alok Retail (India) Limited w.e.f.1 December 2008.

2. Joint Venture entities considered in the consolidated financial statements are:

Sr. No.	Name of Associates	Country of Incorporation	Ownership Interest 31 MAR 2009	Ownership Interest 31 MAR 2008
A	Aurangabad Textile and Apparela Park Limited*	**India**	49.00%	-
B	New City of Bombay Mfg. Mills Limited*	**India**	49.00%	-

* w.e.f. 16 January 2009

The Following amounts are included in the Consolidated Financial Statements in respect of Joint Venture Companies on "proportionate consolidation" method. As per Accounting Standard 27 on "Financial Reporting of Interest in Joint Venture"

PARTICULARS	Current Year (Rs. Crore)
ASSTES	
Fixed Assets	0.18
Inventories	0.01
Sundry Debtors	6.55
Cash and Bank Balances	26.86
Loans and Advances	5.46
LIABILITIES	
Current Liabilities	0.11
Provision	0.87
INCOME	
Sales	4.60
Other Income	0.71
EXPENSES	
Manufacturing and Other Expenses	4.59
Depreciation	0.00
Provision for Tax	0.41

3. The associate companies considered in the consolidated financial statements are:

Sr. No.	Name of Associates	Country of Incorporation	Ownership Interest 31 MAR 2009	Ownership Interest 31 MAR 2008
A	Grabal Alok (UK) Limited (Formerly known as Hamsard 2353 Ltd.)(w. e. f. 23rd January,2009, 41.56% and 27th March,2009, 41.72%)	**United Kingdom**	41.72%	43.72%
B	Ashford Infotech Private Limited	**India**	50.00%	50.00%
C	Alspun Infrastructure Limited	**India**	50.00%	50.00%

4 Contingent Liabilities in respect of:

(Rs. Crore)

Sr. No.	PARTICULARS	Current Year	Previous Year
A	Customs duty on shortfall in export obligation in accordance with EXIM Policy(The company is hopeful of meeting the export obligation within the stipulated period)	**Amount Unascertained**	Amount Unascertained
B	Guarantees given by banks on behalf of the Company	**48.34**	**33.55**
C	Corporate Guarantees given to bank for loans taken by Subsidiary Companies	**214.25**	**-**
D	Bills discounted	**86.45**	**22.89**
E	Arrears of fixed cumulative dividend on Preference shares (Not subject to deduction of Income-tax)	**3.63**	**0.20**
F	Pending Litigation	**0.04**	-

5 Capital Commitments

PARTICULARS	2008-09	2007-08
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances)	1204.02	340.38

6 Related Party Disclosure

a) Name of related parties and nature of relationship

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

1) Name of related parties and description of relationship.

I Associates	
Alok Denims (India) Private Limited.	Green Park Enterprises
Alok Finance Private Limited	Gogri Properties Private Limited
Alok Knit Exports Limited	Honey Comb Knit Fabrics
Alok Textile Traders	Jiwrajka Associates Private Limited
Alspun Infrastructure Limited	Jiwrajka Investment Private Limited
Ashok B. Jiwrajka (HUF)	Niraj Realtors & Shares Private Limited
Ashok Realtors Private Limited.	Nirvan Exports
Ashford Infotech Private Limited	Nirvan Holdings Private Limited
Buds Clothing Co.	Pramatex Enterprises
D. Surendra & Co.	Pramita Creation Private Limited
Dilip B. Jiwrajka (HUF)	Surendra B. Jiwrajka (HUF)
Grabal Alok Impex Limited	Tulip Textiles
Grabal Alok International Limited	Vaibhav Knit Fab
Grabal Alok (UK) Ltd.	
(Formerly known as Hamsard 2353 Ltd.)	
II. Joint Venture	
Aurangabad Textile & Apparela Parks Limited	
New City of Bombay Mfg. Mills Limited	
II Key Management Personnel	Ashok B. Jiwrajka } Directors
	Chandrakumar Bubna } Directors
	Dilip B. Jiwrajka } Directors
	Surendra B. Jiwrajka } Directors
	Alok A. Jiwrajka
III Relatives of Key Management Personnel	Prita D. Jiwrajka
	S. P. Bubna

2) **Nature of transaction with Associates, Joint Venture entities, Key Management Personnel and Relative of Key Management Personnel.**

(Rs. Crore)

Transaction	Associates	Joint Venture Companies	Key Management Personnel	Relative of Key Management Personnel	Total
a) **Share Application Money**					
Balance as at 1April	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Received During the year	256.76	-	27.30	-	284.06
	(-)	(-)	(-)	(-)	(-)
Balance as at 31March	256.76	-	27.30	-	284.06
	(-)	(-)	(-)	(-)	(-)
b) **Unsecured Loans**					
Balance as at 1 April (Rs. 29,056/-)	-	-	-	-	-
(Rs. 24,000/-)	(-)	(-)	(-)	(-)	(-)
Repaid during the year (Net) (Rs. 29,056/-)	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Received / Adjustment during the year	-	-	-	-	-
(Rs. 5,056/-)	(-)	(-)	(-)	(-)	(-)
Balance as at 31 March	-	-	-	-	-
(Rs. 29,056/-)	(-)	(-)	(-)	(-)	(-)
c) **Loans and Advances**					
Balance as at 1 April	29.84	-	-	-	29.84
	(81.17)	(-)	(-)	(-)	(81.17)
Granted during the year (Net)	16.73	-	-	-	16.73
	(-)	(-)	(-)	(-)	(-)
Received/Adjusted/Converted during the year	29.84	-	-	-	29.84
	(51.33)	(-)	(-)	(-)	(51.33)
Balance as at 31 March	16.73	-	-	-	16.73
	(29.84)	(-)	(-)	(-)	(29.84)
d) **Investments**					
Balance as at 1 April	223.93	-	-	-	223.93
	(3.99)	(-)	(-)	(-)	(3.99)
Invested during year	172.91	87.00	-	-	252.41
	(219.94)	(-)	(-)	(-)	(219.94)
Balance as at 31 March	396.84	87.00	-	-	476.34
	(223.93)	(-)	(-)	(-)	(223.93)
e) **Share Application Money**					
Balance as at 1 April	60.60	-	-	-	60.60
	(-)	(-)	(-)	(-)	(-)
Given during the year	21.31	-	-	-	21.31
	(60.60)	(-)	(-)	(-)	(60.60)
Balance as at 31 March	81.91	-	-	-	81.91
	(60.60)	(-)	(-)	(-)	(60.60)
f) **Sundry Debtors**					
Balance as at 31 March	41.03	-	-	-	41.03
	(15.16)	(-)	(-)	(-)	(15.16)
g) **Sundry Creditors**					
Balance as at 31 March	3.95	-	-	-	3.95
	(1.70)	(-)	(-)	(-)	(1.70)
h) **Turnover**					
Sales of Goods	118.28	-	-	-	118.28
	(91.85)	(-)	(-)	(-)	(91.85)
i) **Expenditure**					
Purchase of goods	11.67	-	-	-	11.67
	(4.35)	(-)	(-)	(-)	(4.35)
Purchase of Fixed Assets	-	-	-	-	-
	(0.02)	(-)	(-)	(-)	(0.02)
Rent	-	-	-	-	-
	(0.20)	(-)	(-)	(-)	(0.20)
Remuneration	-	-	12.48	0.06	12.54
	(-)	(-)	(10.62)	(0.02)	(10.64)
Interest paid	0.37	-	-	-	0.37
	(0.43)	(-)	(-)	(-)	(0.43)
j) **Dividend Paid**	0.69	-	-	-	0.69
	(0.80)	(-)	(-)	(-)	(0.80)
k) **Income**					
Dividend	0.15	-	-	-	0.15
	(0.19)	(-)	(-)	(-)	(0.19)
Sale of Fixed Assets	-	-	-	-	-
	(0.10)	(-)	(-)	(-)	(0.10)

Note: 1) Related party relationship is as identified by the Company and relied upon by the Auditors.
2) Previous year figures are given in brackets.

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

(Rs. Crore)

Transaction	Current Year Amount		Previous Year Amount
a) Share Application Money			
Received during the year			
Associates			
Alok Finance Private Ltd.	40.74		-
Jiwrajka Associate Private Ltd.	51.59		-
Jiwrajka Investment Private Ltd.	48.65		-
Niraj Realtors & Shares Private Ltd.	59.16		-
Nirvan Holdings Private Ltd.	44.92		
		245.06	-
b) Loans and advances			
Granted during the year (Net) -			
Associates - Grabal Alok International Limited		16.73	0.80
Received / Adjusted during the year-			
Associates- Grabal Alok International Limited		29.84	50.38
c) Investments			
Associates-			
Alspun Infrastructure Limited	0.05		0.03
Ashford infotec Private Limited	-		0.05
Grabal Alok (UK) Limited	134.80		219.87
Grabal Alok International Limited	38.06		-
		172.91	219.95
Joint Venture			
Aurangabad Textile and Apparel Parks Limited	71.50		-
New City of Bay Mfg. Mills Limited	15.50		-
		87.00	-
d) Share Application Money			
Associates-			
Alspun Infrastructure Limited	3.52		10.60
Ashford Infotech Private limited	17.79		50.00
		21.31	60.60
e) Turnover			
Associates- Grabal Alok Impex Limited	37.32		33.21
Grabal Alok (UK) Ltd.	80.96		58.64
		118.28	91.85
f) Expenditure			
Purchase of Goods:			
Associates- Grabal Alok Impex Limited		11.67	4.35
Purchase of Fixed Assets:			
Associates- Grabal Alok Impex Limited		-	0.02
Rent:			
Associates- Alok Denims (India) Private Limited		-	0.20
Interest:			
Associates- Grabal Alok Impex Limited		0.37	0.43
Remuneration:			
Key Management Personnel-			
Ashok B. Jiwrajka	3.05		2.65
Chandra Kumar Bubna	3.05		2.65
Dilip B. Jiwrajka	3.05		2.65
Surendra B. Jiwrajka	3.05		2.65
		12.20	10.60
Relatives of Key Management Personnel-			
Prita D. Jiwrajka		0.06	0.02
g) Dividend Paid			
Associates- Grabal Alok Impex Limited		0.69	0.80
h) Income			
Dividend:			
Associates- Grabal Alok Impex Limited		0.15	0.19

4. Details in accordance with clause 32 of the listing agreement with the stock exchanges.

a) Loans & Advance to associates, firms or companies in which directors are interested – Rs. Nil (Previous year Rs. Nil) is not considered as it is repayable on demand and Interest is charged at market rates (excludes deposit for rented premises and share application money).

b) Investment by Loanee in the shares of the company

Name of the Company	No.of equity shares	Face Value (Rupees)
Grabal Alok Impex limited	5,710,368	57,103,680

7. Rights Issue

a) The company vide offer letter dated 19 March 2009 offer 408,723,061 equity shares of Rs. 10/- each at a premium of Re. 1/- per share to its existing share holders

Particulars	Total amount due (per Share)		Towards Share Capital (per share)		Towards Securities Premium (per share)		Total Amount (Rs. Crore)	Due on (after the date of allotment, at the option of the company)
	Method 1	Method 2	Method 1	Method 2	Method 1	Method 2		
On Application	6.00	11.00	5.00	10.00	1.00	1.00	367.59	Along with application
On First & Final Call	5.00	-	5.00	-	-	-	82.00	–
	11.00	**11.00**	**10.00**	**10.00**	**1.00**	**1.00**	**449.59**	

b) The utilisation of the right issue proceeds aggregating to Rs. 449.59 crore will be as under:

(Rs. Crore)

PARTICULARS	Amount
Right Issue Expenses	20.59
Long Term Working Capital Margin requirements	385.00
General Corporate Purpose	44.00
	449.59

c) Application money received till 31 March 2009

(Rs. Crore)

PARTICULARS	Amount
From Promoters / Promoter Group	92.50
From Others	45.00
	137.50

d) The Company has utilised the application money received from promoters / promoter group towards its long term working capital requirements.

e) The issue closed on 22 April 2009 the Company has allotted :

PARTICULARS	No. of shares
Fully Paid	244,719,930
Partly paid	164,003,131
	408,723,061

8. The Company in accordance with the resolution passed by members by way of Postal Ballot on 14 February 2008 issued for cash on preferential basis 1,98,00,000 warrants to the Promoter Group of the Company, which are convertible into equity shares. The warrant holder have the option of subscribing for one equity share of the Company of Rs. 10/- each per warrant at a price of Rs.102/- per share, (including premium of Rs. 92/- per share), determined in accordance with the SEBI guidelines, at any time within 18 months from the date of allotment of the Warrants, in two stages viz. (a) 98,00,000 Warrants to be converted into Equity Shares on or before 31 March,2009, against which entire issue price has been received and these warrants were converted into equity shares on 28 April 2008 and (b) 1,00,00,000 Warrants to be converted into Equity Shares on or before 31 July 2009, against which 10% of the issue price has been received in previous year and Rs.91.80 crore being brought in as share application money which has been treated as the balance 90% amount payable upon exercising of the option of conversion of warrants into equity shares. The said application money has since refunded at the request of the warrant holder.

9. 475 FCCBs (previous year 475 FCCBs) are carried forward from earlier year and pending conversion/ redemption as at the year end aggregating Rs. 121.01 crore (Previous Year Rs. 94.87 crore) are disclosed under "Unsecured Loans" (Schedule 4). The total proceeds on this account have been fully utilised during the earlier years

10. The group has acquired plant and machinery and computers and vehicle on lease aggregating to Rs. 14.66 crore (Previous Year Rs. 14.66 crore) on hire purchase in nature of finance lease. The company capitalized the said assets at their fair value as the leases are in the nature of finance leases as defined in AS 19. Lease payments are apportioned between finance charge and reduction of outstanding liabilities. The details of lease rentals payable in future are as follows:

(Rs. Crore)

Due	Total minimum lease payments outstanding		Future interest on outstandings		Present value of minium lease payments	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Within one year	**2.42**	3.16	**0.20**	0.38	**2.22**	2.78
Later than one year and not later than 5 years	**2.39**	5.12	**0.03**	0.25	**2.36**	4.88
Later than 5 years	-	-	-	-	-	-

11. The group during the year mainly capitalised Spinning unit (Phase III) and Power Plant 18 MW and Texturising at Saily, Dadra and Nagar Haveli .

Pre-operative expenses included in Capital Work in Progress (Schedule 6) represent the direct expenses incurred for projects undertaken by the company which are yet to be commissioned. Such pre-operative expenses mainly pertain to plants / building under erection / construction at units located at Vapi and Silvassa to be capitalised on completion of the project at that location. The details of pre-operative expenses are as under:

(Rs. Crore)

PARTICULARS	31 MAR 2009	31 MAR 2008
Opening Balance	**20.69**	19.59
Add: Expenditure incurred during the year		
Raw Material Consumption	-	0.54
Payment to and Provision for Employees	**13.99**	27.49
Stores and Spares Consumed	-	17.00
Power and Fuel	**36.21**	12.83
Others	**24.81**	13.46
	95.70	90.91
Less : Sales (Trial run production realization)	-	(0.27)
Export Incentives	-	(0.01)
Jobwork Contract Receipts	-	(0.05)
Sale of Scrap	-	(0.00)
	95.70	90.59
Decrease / (Increase) in stock of Finished Goods and Process stock		
Stock as on 1st April		
Finished Stock	-	-
Process Stock	-	-
Less : Transferred to inventory*		
Finished Stock	-	-
Process Stock	-	(0.39)
	95.70	90.20
Less : Allocated to Fixed Assets on completion of projects	**(20.20)**	(69.51)
Total	**75.50**	**20.69**
* Unutilized inventory transferred to inventory on completion of project.		

12. Deferred Taxation

Deferred Tax Assets and Liabilities arising on account of timing differences are as under:

(Rs. Crore)

PARTICULARS	31 MAR 2009	31 MAR 2008
I) Deferred Tax Liability (DTL)		
i) Depreciation	**311.49**	215.33
ii) Preliminary Expenses	**3.37**	-
	308.12	215.33
II) Deferred Tax Asset (DTA)		
i) Other items	**0.01**	2.45
ii) Business / Depreciation loss as per I.T. Act, 1961	**1.71**	0.53
iii) FCCB Issue Expenses	**0.00**	2.12
	1.72	5.10
(I-II) Total Deferred Tax Liabilities (Net)	**306.40**	210.23

13. Earnings per share (EPS)

(Rs. Crore)

PARTICULARS		31 MAR 2009	31 MAR 2008
a. Nominal value of equity shares per share (In Rupees)		**10**	10
b. Basic EPS			
Net Profit Available for Equity Shareholders		**74.79**	189.65
Weighted average number of Equity Shares Dilutive (Nos.)		**196,250,037**	174,233.536
Basic Earnings per share (Rupees)		**3.81**	10.88
c. Dilutive EPS			
	31 MAR 2009		**31 MAR 2008**
	Before considering Right Issue	**After considering Right Issue**	
Net Profit Available for Equity Shareholders	**74.79**	**74.79**	189.65
Add: Depreciation	**0.18**	**0.18**	0.02
Net profit available for Equity Shareholders - (Dilutive)	**74.97**	**74.97**	189.67
Weighted average number of Equity Shares Basic (Nos.)	**196,250,037**	**196,250,037**	174,233,536
Add: Effect of potential equity shares on right issue (Nos)	**-**	**326,721,496**	
Add : Effect of potential equity shares on conversion of			
a. Share Application Money Utilised (Nos)	**15,345,330**	**3,826,027**	-
b. Share warrants (Nos.)	**1,724,932**	**1,724,932**	19,800,000
c. FCCB (Nos)	**17,265,961**	**17,265,961**	28,461,359
Weighted average number of Equity Shares Dilutive (Nos.)	**230,586,260**	**545,788,453**	222,494,895
Diluted Earnings per share (Rupees)	**3.26**	**1.38**	8.52

14. Employee benefit plans:

i. Defined contribution plans:

Amounts recognized as expenses towards contributions to provident fund, superannuation and other similar funds by the Company are Rs. 4.44 crore for the year ended 31 March 2009.

ii. Defined benefit plans:

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

(Rs. Crore)

PARTICULARS	Gratuity (funded) as at 31 MAR 2009	Gratuity (funded) as at 31 MAR 2008
		Total
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	**3.64**	2.47
Current Service Cost	**1.33**	0.89
Interest Cost	**0.38**	0.26
Actuarial loss	**(0.80)**	0.14
Benefits Paid	**(0.27)**	(0.13)
Closing Defined Benefit Obligation	**4.28**	3.63
Change in Fair Value of assets		
Opening Fair value of assets	**1.60**	1.13
Expected Return on Plan Assets	**0.18**	0.12
Actuarial Gain	**0.00**	0.01
Contribution by Employer	**0.72**	0.47
Benefits Paid	**(0.27)**	(0.13)
Closing Fair Value of Plan Assets	**2.23**	1.60
Net Liability	**2.04**	2.03

Expense to be recognised in statement of Profit and Loss Account

(Rs. Crore)

PARTICULARS	For the Year ended 31 MAR 2009	For the Year ended 31 MAR 2008
Current Service Cost	**1.33**	0.89
Interest on Defined Benefit Obligation	**0.38**	0.26
Expected Return on Plan Assets	**(0.18)**	(0.13)
Net Actuarial loss	**0.92**	0.14
Total Included in Employment Expenses	**2.45**	1.16
Actual Return on Plan Assets	**0.20**	0.13
Category of Assets Insurer Managed Fund	**2.24**	1.60

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

(Rs. Crore)

PARTICULARS	For the Year ended 31 MAR 2009	For the Year ended 31 MAR 2008
Discount rate	**7.75%**	8.00%
Rate of increase in compensation levels of covered employees	**7.50%**	6.00%
Expected Rate of return on plan assets	**8.00%**	8.00%

15. Segment Reporting

a) Primary Segment: Geographical Segment

The group, during the year, considering its higher level of international operations and present internal financial reporting based on geographical location of customer, has identified geographical segment as primary segment. On that basis the information for the previous year for this segment has been compiled and disclosed by the group for comparative purpose in brackets.

The geographic segment consist 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 group believes that it is not practical to allocate segment expenses, segment results, fixed assets used in the group'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. Crore)

PARTICULARS	India	Rest of World	Total
Operating Revenue	2,052.68	1,038.10	3,090.78
(including job work charges)	(1,244.42)	(1,037.59)	(2,282.01)
Profit before minority Interest & share of profit of associates			136.53
			(187.07)
Minority Interest			5.57
			(2.55)
Share of profit of associates			(68.05)
			(0.03)
Profit after Tax			74.05
			(189.65)

b) Secondary Segment: Business Segment

The Group during the year was having single segment as reportable segment as per AS 17 "Segment Reporting". Hence there is no Secondary segment to be reported.

16. In the opinion of the Board, the carrying value of all Current Assets, Loans and Advances and other receivables is not less than their realizable value in the ordinary course of business.

17. The provision for Income Tax of Rs. 34.38 crore (Previous Year Rs. 34.76 crore) has been computed on the basis of Minimum Alternate Tax (MAT) in accordance with Section 115JB of the Income-tax Act, 1961, in view of deductions available to the company. Considering the future profitability and taxable positions in the subsequent years, the company has recognised 'MAT credit entitlement' amounting to Rs. 28.65 crore (Previous Year Rs. 4.12 crore) , as an asset by crediting the Profit and Loss Account for an equivalent amount and disclosed under 'Loans and Advances' (Schedule 11) in accordance with the Guidance Note on "Accounting for credit available in respect of Minimum Alternate Tax under the Income-tax Act, 1961" issued by the Institute of Chartered Accountants of India.

18. Excess provision for dividend of earlier year of Rs. 0.17 crore (Previous Year Rs. 0.19 core) [including dividend tax Rs. 0.02 crore (Previous year Rs. 0.03 crore)] represent the difference between the amount provided and paid considering the legal opinion obtained by the company and the amount finally paid on the shares allotted as on outcome of conversion of FCCBs.

19. The company has invested in a subsidiary company viz. Alok Industries International Limited (AIIL). In turn AIIL has made investment/given advances to it's subsidary companies viz. Alok European Retail, s.r.o. (AER) and mileta a.s. AIIL, for the time being, does not intend to continue with the business plans of investing into AER.

Mileta a.s. has accumulated lossed at the year end. However, it continues to have positive net worth. It has alao embarked upon renovation of the basic production facilities and expects to achieve higher turnover, reduced cost and consequently the profitability. On that basis investment in Mileta a.s. and loan amount given to subsidiary company is considered good by AIIL.

The AIIL has made an investment in an associate viz; Grabal Alok (UK) Limited (GaUKL) aggregating to Rs. 354.67 crore (Previous year Rs. 219.87 crore) which is a strategic long-term investment. The AIIL has also invested Rs. 38.06 crore [Previous Year Rs. NIl] in another associate viz; Grabal Alok International Limited and given interest free loan of Rs. 16.73 crore) [Previous Year Rs. 29.84 crore], which has entirely invested such amounts in Grabal Alok (UK) Limited. Based upon the financial support of the Company and the future growth plan of embarking upon more trendy stores and wider reach in the market by opening new stores, through the net worth at the year end had been eroded. GAUKL continues to implement the growth plans with aggressive cost reduction programs which is expected to yield positive results. Accordingly the directors of GAUKL expect the initiative to deliver the expected sales growth and profitability in the subsequent years. On that basis, in the opinion of the AIIL, the aforesaid investments and the loan amounts outstanding as at March 31, 2009 are considered good and recoverable.

AIIL has given following advances subscription towards investments :

(i) Rs. 6.67 crore being subscription money paid by AIIL towards equity capital of Aisle 5 LLC (Aisle5), which is the business of development, marketing and licensing of trade brands, in respect of which the shares are yet to be allotted. Aisle5 has incurred losses during the year and has accumulated losses at the year end as per the unaudited financials compiled by the management. However, it continues to have positive net worth and expects to achieve higher sales on the basis of the client-wise projections prepared by its management which will result into profits in the following one or two years. On that basis, in the opinion of the AIIL,investment in Aisle5 as at 31 March 2009 is considered good.

(ii) Rs. 37.73 crore, being subscription money paid to Power Cor LLC towards 5% B Membership interest, which is considered by AIIL to be a strategic investment. the membership interest is yet to be allotted. The said company is yet to commence its operations and has exclusive rights to market, commercialise and sell specific software used in development and implementation of certain products. On that basis, in the opinion of the AIIL, the aforesaid subscription advance is considered as good.

On the above basis in opinion of the Company the investment in subsidiary company viz Alok Industries International Limited is considered good.

20. a) The Company, during the year based on the Announcement of the Institute of Chartered Accountants of India "Accounting for Derivatives along with the principles of prudence as enunciated in Accounting Standard (AS) 1 "Disclosure of Accounting Policies" has accounted for derivative forward contracts at fair values.

b) Derivative contracts entered into by the Company and outstanding as on 31 March 2009

For hedging currency and interest rate related risks

Nominal amounts of derivative contracts entered into by the Company and outstanding as on 31 March 2009 amount to Rs. 169.36 crore (Previous Year Rs. 254.54 crore) Category wise break-up is given below.

(Rs. Crore)

Sr. No.	PARTICULARS	As at 31 MAR 2009	As at 31 MAR 2008
1	Interest Rate Swaps	**117.52**	119.94
2	Currency Swaps	**40.61**	106.49
3	Currency Options	**11.84**	28.11
	Total	**169.97**	254.54

c) All derivative and financial instruments acquired by the company are for hedging purpose only.

d) The year end foreign currency exposure that has not been hedged by derivative instruments or other wise are as below:

i) Amount receivable in foreign currency on account of the following

(In Crore)

Particulars	Rupees	Foreign Currency	Currency
Debtors	110.34	13.55	USD
	39.10	0.54	GBP
	9.71	0.14	EUR
	29.93	11.97	CZK
Cash & Bank Balances	45.92	0.90	USD
	7.30	2.92	CZK

ii) Amount payable in foreign currency on account of the following

(In Crore)

Particulars	Rupees	Foreign Currency	Currency
Secured Loans	640.50	12.60	USD
	72.13	113.98	JPY
	86.90	1.30	EUR
Interest accrued but not due on loans	20.90	0.41	USD
	0.67	0.01	EUR
Unsecured Loan	198.50	3.90	USD

21. The Company during the previous year consequent to the damage caused to the assets by fire at its Texturising unit located at Silvassa, computed the loss of such assets in accordance with the terms of the policy and submitted the claim together with the details to the surveyors of the insurer for an amount aggregating to Rs. 217.72 crore including for loss of profit and accounted the same in the books of account.

During the year, the insurer released payment of Rs. 25 crore (Previous Year Rs. 110.00 crore) (including for loss of profit) pending finalisation of the claim which has been adjusted to the claim receivable to that extent and the balance claim receivable of Rs. 80.63 crores (Previous Year Rs. 90.74 crore) is carried forward under Loans and Advances (Schedule 11) which would be adjusted on receipt of the final claim amount

22. In line with the notification dated 31 March 2009 issued by the Ministry of Corporate Affairs, amending Accounting Standard (AS) 11 – 'Effect of changes in Foreign Exchange Rates', the Company has chosen to exercise the option under paragraph 46 inserted in the Standard by the notification.

Accordingly with retrospective effect from 1 April 2007 exchange difference on all long term monetary items are :

i) To the extent such items are used for financing fixed assets, added to/subtracted from the cost of those fixed assets and depreciated over balance useful life of the asset.

ii) In other cases accumulated in the 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the balance period of such long term monetary item but not beyond 31 March 2011.

In effect of the above the Company has

i) Added to General Reserve Rs. 24.78 crore (net of tax Rs. 14.95 crore) which was recognised in the Profit & Loss Account in previous financial year ended 31 March 2008.

ii) Added to fixed assets / capital work-in-progress Rs. 166.46 crore being exchange difference on long term monetary items relatable to acquisition of fixed assets.

iii) Charged to Profit & Loss Account Rs. 6.55 crore.

iv) Carried forward Rs. 11.20 crore in the 'Foreign Currency Monetary Item Translation Difference Account' being the amount remaining to be amortised as at 31 March 2009.

As a result of the above change in Accounting Policy, the net profit before tax for the year is higher by Rs. 152.19 crore (net of tax Rs. 100.46 crore).

23. The amounts in Balance Sheet, Profit and Loss Account are rounded off to the nearest lakhs and denominated in crore of rupee.

24. The figures of the previous year have been reclassified / regrouped wherever necessary to correspond with those of the current year.

As per our attached report of even date

For Gandhi & Parekh
Chartered Accountants

Devang B. Parekh
Partner

Place: Mumbai
Dated: 29 July 2009

For and on behalf of the Board

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

Place: Mumbai
Dated: 29 July 2009

NOTES

PROXY FORM

ALOK INDUSTRIES LIMITED

Registered Office : B/43, Mittal Tower, Nariman Point, Mumbai – 400 021

REGD. FOLIO	
DP. ID	
DP ID-CLIENT ID	
PROXY NO.	
NO. OF SHARES	

I/We ____ of _______________________________ in the district of ____ being a member/members of Alok Industries Limited, hereby appoint _________________________ of ___________________________ or failing him _________________________ of ____________________ in the district of ___________________________ as my/our proxy to attend and vote for me/us and on my/our behalf at the **Twenty Third Annual General Meeting** of the Company to be held on Friday, the 25 day of September 2009, at 11.00 a.m. at **TEXTILES COMMITTEE AUDITORIUM, P. BALU ROAD, PRABHADEVI CHOWK, PRABHADEVI, MUMBAI - 400 025** and at any adjournment thereof.

Signed on this __________ day of _________ 2009

Affix
15 ps.
Revenue
Stamp

____

Signature(s) of Member(s)

Note: The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.

ATTENDANCE SLIP

ALOK INDUSTRIES LIMITED

Registered Office : B/43, Mittal Tower, Nariman Point, Mumbai – 400 021

Folio No./DP.ID : ______________________________________

Client ID No. : ______________________________________

Name & Address : ______________________________________

____

____

I hereby record my presence at the **Twenty Third Annual General Meeting** of the Company being held on Friday, the **25 day of September, 2009 at 11.00 a.m**. at **TEXTILES COMMITTEE AUDITORIUM, P.BALU ROAD, PRABHADEVI CHOWK, PRABHADEVI, MUMBAI - 400 025.**

____

Signature of Member/Joint Member

Proxy attending the meeting

Please complete this Attendance Slip and bring the slip to the meeting.

ALOK
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INDUSTRIES LIMITED
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