



PERFORMANCE REPORT

SECOND QUARTER

ENDED

30 SEPTEMBER 2015

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TEXTILES: INDIAN OPERATIONS

BUSINESS HIGHLIGHTS: FOR THE QUARTER ENDED 30 SEPT 2015

- **Net Sales of Rs.3,209.85 crore**
 - ❖ Reduced by (-14.56%) over corresponding quarter ended 30 Sep 2014 (Rs.3,757.04)
- **EBIDTA of Rs.527.11 crore**
 - ❖ Reduced by (-39.62%) over quarter ended 30 Sep 2014 (Rs.872.96 crore)
 - ❖ Margin (as ratio to sales) was 16.42% against 23.24% in quarter ended 30 Sep 2014
 - ❖ Rs.152.10 crore provisioning done for doubtful advances.
- **PBT at (-Rs.227.35) crore**
 - ❖ This loss is against profit in quarter ended 30 Sep 2014 (Rs.68.72 crore)
- **PAT of (-Rs.242.20) crore**
 - ❖ Loss compared to profits of Rs.45.36 crore during corresponding quarter ended 30 Sep 2014

BUSINESS HIGHLIGHTS: FOR THE SIX MONTHS ENDED 30 SEPT 2015

- **Net Sales of Rs.6,597.51 crore**
 - ❖ Reduced by (-13.08%) over 6 months ended 31 Mar 2014 (Rs.7,590.02)
- **Operating EBIDTA of Rs.1,283.58 crore**
 - ❖ Reduced by (-24.91%) over six months ended 31 Mar 2014 (Rs.1,709.48 crore)
 - ❖ Margin (as ratio to sales) was 19.46% against 22.52% in six months ended 31 Mar 2014
- **PBT at (-Rs.212.49) crore**
 - ❖ This loss against profit in six months ended 31 Mar 2014 (Rs.345.75 crore)
- **PAT of (-Rs.232.48) crore**
 - ❖ Loss compared to profits of Rs.228.94 crore during corresponding period ended 31 Mar 2014

Note: Since the previous financial year was 18 months extending from October 2014 to March 2015, the six month comparison is with Oct 13 to March 14, which is first 6 months of previous financial year

FINANCIAL RESULTS (STANDALONE) FOR THE QUARTER ENDED 30 SEP 2015

PART I

(Rs. In crore)

Particulars	Quarter ended	Quarter ended	Quarter ended	Period Ended	Period Ended	Period ended	
	30.09.2015	30.06.2015	30.09.2014	30.09.2015	31.03.2014	31.03.2015	
				[6 Months]	[6 Months]	[18 Months]	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1	Income from Operations						
	a) Net Sales (Net of Excise duty)	3,167.91	3,359.53	3,744.84	6,527.44	7,564.01	22,028.63
	b) Other Operating Income	41.93	28.14	12.21	70.07	26.01	102.09
	Total Income from Operations (net)	3,209.84	3,387.67	3,757.05	6,597.51	7,590.02	22,130.72
2	Expenses						
	a) Cost of materials consumed	3,136.00	3,507.62	2,855.29	6,643.62	5,296.00	17,381.22
	b) Changes in inventories of finished goods and work-in-progress	(928.40)	(1,248.97)	(322.28)	(2,177.37)	(353.65)	(2,718.55)
	c) Employee benefits expense	71.07	65.48	68.96	136.55	151.94	412.59
	d) Depreciation and amortisation expense (Refer note 2 below)	158.47	166.37	245.07	324.84	484.29	1,461.21
	e) Other expenses	429.75	366.02	315.55	795.77	902.52	2,009.87
	Total expenses	2,866.89	2,856.52	3,162.59	5,723.41	6,481.10	18,546.34
3	Profit from operations before other income and finance costs	342.95	531.15	594.46	874.10	1,108.92	3,584.38
4	Other income	25.69	58.95	33.43	84.64	116.27	224.82
5	Profit from ordinary activities before finance costs	368.64	590.10	627.89	958.74	1,225.19	3,809.20
6	Finance costs	595.99	575.24	559.17	1,171.23	971.73	3,251.16
7	(Loss) / Profit from ordinary activities after finance costs but before exceptional items	(227.35)	14.86	68.72	(212.49)	253.46	558.04
8	Exceptional Items (Refer note no.3)	-	-	-	-	(92.30)	-
9	(Loss) / Profit from ordinary activities before tax	(227.35)	14.86	68.72	(212.49)	345.76	558.04
10	Tax expense	14.85	5.14	23.36	19.99	116.82	209.28
11	Net (Loss) / Profit for the period	(242.20)	9.72	45.36	(232.48)	228.94	348.76
12	Paid up Equity Share Capital (Face Value Rs.10/- per equity share)	1,377.33	1,377.33	1,377.13	1,377.33	1,377.13	1,377.33
13	Reserves excluding revaluation reserves (as per Balance sheet of previous accounting year)	-	-	-	-	-	4,038.49
14	Earnings per share (of Rs.10 each) :						
	Basic	(1.76)	0.07	0.33	(1.69)	1.66	2.53*
	Diluted	(1.76)	0.07	0.33	(1.69)	1.66	2.53*
* - Not annualised							

PART II

	Particulars	Quarter ended	Quarter ended	Quarter ended	Period Ended	Period Ended	Period ended
		30.09.2015	30.06.2015	30.09.2014	30.09.2015	31.03.2014	31.03.2015
					[6 Months]	[6 Months]	[18 Months]
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
A	PARTICULARS OF SHAREHOLDING						
1	Public Shareholding						
	- Number of shares	8643,92,970	8565,84,830	8354,57,064	8643,92,970	8431,22,015	8515,50,105
	-Percentage of shareholding	62.76%	62.19%	60.67%	62.76%	61.22%	61.83%
2	Promoters and Promoter Group Share Holding						
	a) <u>Pledged/Encumbered</u>						
	- Number of shares	5116,55,191	5194,63,331	5369,63,797	5116,55,191	5311,05,441	5244,98,056
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	99.75%	99.76%	99.13%	99.75%	99.46%	99.76%
	-Percentage of shares (as a % of the total share capital of the Company)	37.15%	37.72%	38.99%	37.15%	38.57%	38.08%
	b) <u>Non- encumbered</u>						
	- Number of Shares	12,69,734	12,69,734	46,94,734	12,69,734	28,88,139	12,69,734
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.25%	0.24%	0.87%	0.25%	0.54%	0.24%
	-Percentage of shares (as a % of the total share capital of the Company)	0.09%	0.09%	0.34%	0.09%	0.21%	0.09%
B	INVESTOR COMPLAINTS						
	Pending at the beginning of the quarter	5					
	Received during the quarter	9					
	Disposed off during the quarter	14					
	Remaining unresolved at the end of the quarter	0					

STATEMENT OF ASSETS AND LIABILITIES (Standalone)

Particulars		Rs. In Crore	
		As at 30.09.2015 (Unaudited)	As at 31.03.2015 (Audited)
I	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	Share capital	1,377.33	1,377.33
	Reserves and surplus	3,610.83	4,038.49
	Sub Total - Share holders' funds	4,988.16	5,415.82
2	Non-current liabilities		
	Long-term borrowings	5,832.72	7,223.50
	Deferred tax liabilities (net)	864.39	868.26
	Long-term provisions	30.28	21.03
	Other long term liabilities	5,464.70	2,764.35
	Sub Total - Noncurrent liabilities	12,192.09	10,877.14
3	Current liabilities		
	Short-term borrowings	6,809.64	6,044.09
	Trade payables	3,090.60	3,380.18
	Other current liabilities	3,069.21	3,394.25
	Short-term provisions	176.20	240.96
	Sub Total - Current liabilities	13,145.65	13,059.48
	TOTAL - EQUITY AND LIABILITIES	30,325.90	29,352.44
II	ASSETS		
1	Non-current assets		
	Fixed assets	8,123.71	8,376.75
	Non-current investments	348.15	348.15
	Long-term loans & advances	1,577.50	1,748.27
	Sub Total - Non-current assets	10,049.36	10,473.17
2	Current assets		
	Current investments	2.01	2.81
	Inventories	10,451.46	8,284.58
	Trade receivables	8,583.85	7,531.75
	Cash and bank balances	202.05	634.75
	Short-term loans & advances	947.22	2,273.10
	Other current assets	89.95	152.28
	Sub Total - Current assets	20,276.54	18,879.27
	TOTAL - ASSETS	30,325.90	29,352.44

NOTES:

1. The above financial results of the Company for the quarter ended 30 September 2015, reviewed and recommended by the Audit Committee, were approved by the Board of Directors of the Company at its meeting held on 17 December 2015 and have been reviewed by the Statutory Auditors.

2. Pursuant to the applicability of Schedule II to the Companies Act, 2013, with effect from 1 April 2015, the Company has aligned the useful lives of its tangible assets with those specified in Schedule II or as assessed based on technical advice. Consequently, the depreciation charge for the quarter and half year is lower by Rs. 75.04 crores and Rs. 140.54 crores respectively.
3. Exceptional items for the half year ended 31 March 2014 comprises of unrealised exchange fluctuation of Rs.92.30 crores on foreign currency assets, liability & derivative considering the volatility of Indian rupees against US dollar.
4. Considering the nature of its business activities and related risks and returns, the Company has, with effect from 1 April 2015, determined that it operates in a single primary business segment, namely "Textiles", which constitutes a reportable segment in the context of Accounting Standard 17 on "Segment Reporting".
5. The Export Performance Bank Guarantee (EPBG) for the outstanding USD 475 mn has been invoked on 15th December 2015 by the overseas buyers, Next Creations Trading Singapore Pte Ltd quoting non-performance as the reason. While the Company is of the opinion that there was no breach and reserves its right to question the legality of the EPBG being invoked, the EPBG being on a demand guarantee, has been discharged by State Bank of India, the EPBG issuing bank. The Company is now looking at possible options in order to reinstate the transaction at the earliest.
6. The previous financial year of the Company was for a period of 18 months from 1 October 2013 to 31 March 2015, whereas the current financial year of the Company is for a 12 months from 1 April 2015 to 31 March 2016. Accordingly, corresponding figures for 6 months of the previous financial year, from 1 October 2013 to 31 March 2014, have been included in the results, and hence the results of these periods are not comparable.
7. The figures of previous periods have been reclassified / regrouped, wherever necessary, to correspond with those of the current periods.

By order of the Board
For **ALOK INDUSTRIES LIMITED**

Sd/-

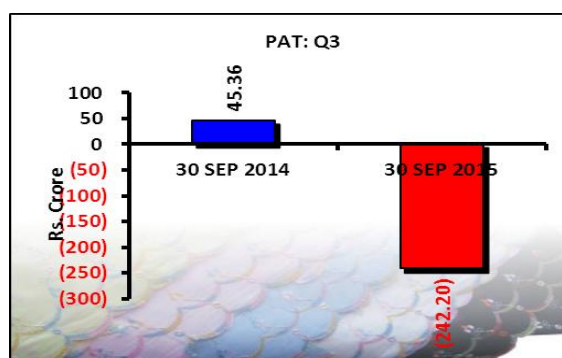
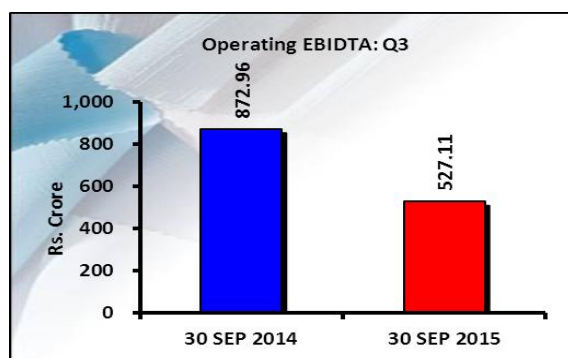
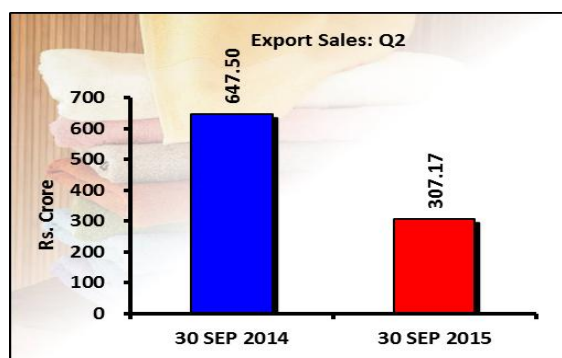
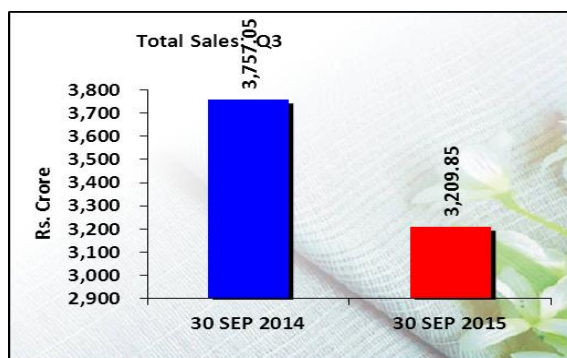
DILIP B. JIWRAJKA
Managing Director
Place: Mumbai
Date: 17 Dec 2015

FINANCIALS AT A GLANCE

PROFIT AND LOSS: SECOND QUARTER

Rs. Crore

PROFIT & LOSS ACCOUNT	Q/ENDED 30 SEP 2015		Q/ENDED 30 SEP 2014		% Change
		% to Sales		% to Sales	
Domestic Sales	2,902.67		3,109.55		(6.65%)
Export Sales	307.17		647.50		(52.56%)
Net Sales	3,209.85		3,757.05		(14.56%)
Other Income	25.69		33.43		(23.16%)
TOTAL INCOME	3,235.52		3,790.48		(14.64%)
Material Costs	2,207.59	68.78%	2,533.01	67.42%	(12.85%)
People Costs	71.07	2.21%	68.96	1.84%	3.06%
Other Expenses	429.75	13.39%	315.55	8.40%	36.19%
OPERATING EBIDTA	527.11	16.42%	872.96	23.24%	(39.62%)
Depreciation	158.47	4.94%	245.07	6.52%	(35.34%)
OPERATING EBIT	368.64	11.48%	627.89	16.71%	(41.29%)
Interest & Finance Costs	595.99	18.57%	559.17	14.88%	6.59%
OPERATING PBT	(227.35)	(7.08%)	68.72	1.83%	(430.87%)
Exceptional Items	0.00		0.00		-
PROFIT BEFORE TAX	(227.35)		68.72		(430.87%)
Less: Provision for Taxes	14.85	0.46%	23.36	0.62%	(36.43%)
PROFIT AFTER TAX	(242.20)	(7.55%)	45.36	1.21%	(634.03%)

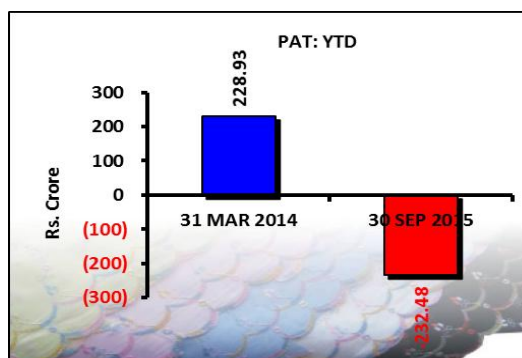
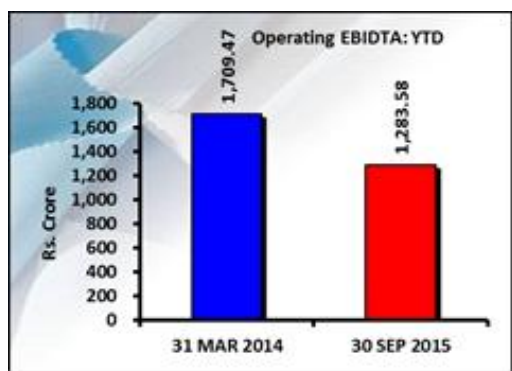
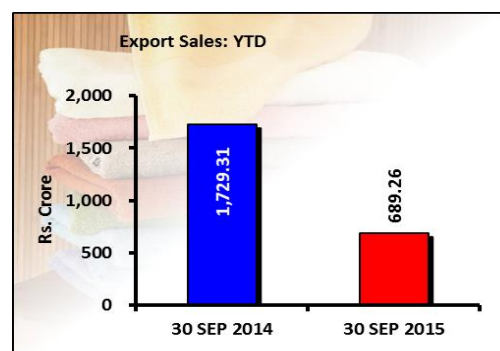
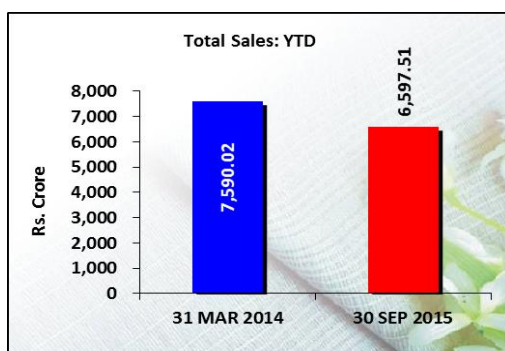


PROFIT AND LOSS: SIX MONTHS

Rs. Crore

PROFIT & LOSS ACCOUNT	6 M/ENDED 30 SEP 2015		6 M/ENDED 31 MAR 2014		% Change
		% to Sales		% to Sales	
Domestic Sales	5,908.25		5,860.71		0.81%
Export Sales	689.26		1,729.31		(60.14%)
Net Sales	6,597.51		7,590.02		(13.08%)
Other Income	84.64		116.27		(27.21%)
TOTAL INCOME	6,682.15		7,706.28		(13.29%)
Material Costs	4,466.24	67.70%	4,942.35	65.12%	(9.63%)
People Costs	136.56	2.07%	151.94	2.00%	(10.13%)
Other Expenses	795.77	12.06%	902.52	11.89%	(11.83%)
OPERATING EBIDTA	1,283.58	19.46%	1,709.47	22.52%	(24.91%)
Depreciation	324.84	4.92%	484.29	6.38%	(32.92%)
OPERATING EBIT	958.74	14.53%	1,225.18	16.14%	(21.75%)
Interest & Finance Costs	1,171.23	17.75%	971.73	12.80%	20.53%
OPERATING PBT	(212.49)	(3.22%)	253.45	3.34%	(183.84%)
Exceptional Items	0.00		-92.30		(100.00%)
PROFIT BEFORE TAX	(212.49)		345.75		(161.46%)
Less: Provision for Taxes	19.99	0.30%	116.82	1.54%	(82.89%)
PROFIT AFTER TAX	(232.48)	(3.52%)	228.93	3.02%	(201.55%)

Note: Since the previous financial year was 18 months extending from October 2014 to March 2015, the six month comparison is with Oct 13 to March 14, which is first 6 months of previous financial year



FINANCIAL POSITION

SUMMARY BALANCE SHEET

Rs. Crore

BALANCE SHEET	AS ON 30 SEP 2015	AS ON 31 MAR 2015	% CHANGE
			PREV YEAR
TANGIBLE NET WORTH	4,988.16	5,415.82	(7.90%)
TOTAL LONG TERM BORROWINGS	5,832.72	7,223.50	(19.25%)
Deferred Tax Liability	864.39	868.26	(0.45%)
Other Long-term liabilities	5,464.70	2,764.35	97.68%
Long-term provisions	30.28	21.03	43.95%
TOTAL SHORT TERM BORROWINGS	6,809.64	6,044.09	12.67%
CURRENT LIABILITIES	6,336.01	7,015.40	(9.68%)
TOTAL	30,325.91	29,352.44	
NET FIXED ASSETS	8,123.71	8,376.74	(3.02%)
NON-CURRENT INVESTMENTS	348.15	348.15	0.00%
Deferred tax assets (net)	0.00	0.00	-
Long-term Loans & Advances	1,577.50	1,748.27	(9.77%)
Other non-current assets	0.00	0.00	-
CURRENT ASSETS	20,276.55	18,879.28	7.40%
Miscellaneous Expenditure			-
TOTAL	30,325.91	29,352.44	

SUMMARY CASH FLOW

Rs. Crore

PARTICULARS	6M	18M
	30 SEPT 2015	31 MAR 2015
NET CASH GENERATED FROM OPERATING ACTIVITIES	1,542.00	3,169.10
NET CASH USED IN INVESTING ACTIVITIES	449.40	(531.34)
NET CASH GENERATED FROM FINANCING ACTIVITIES	(2,053.71)	(3,273.73)
NET FLOW	(62.31)	(635.97)
CASH AND CASH EQUIVALENTS		
AT THE BEGINNING OF THE PERIOD	93.17	729.14
AT THE END OF THE PERIOD	30.86	93.17
NET INCREASE IN CASH AND CASH EQUIVALENTS	(62.31)	(635.97)

FINANCIAL POSITION

KEY RATIOS - STANDALONE

Particulars	30-Sept-15 (6 Months) (Provisional)	30-Jun-15 (3 Months) (Reviewed)	31-Mar-15 (18 Months) (Audited)
Profitability Ratios			
EBITDA (%)	19.46%	22.33%	23.81%
Profit Before Tax Margin (%)	-3.22%	0.44%	2.52%
Profit After Tax Margin (%)	-3.52%	0.29%	1.58%
Balance Sheet Ratios			
Net Debt (Long Term) - Equity	1.13	1.28	1.22
Net Total Debt - Equity	2.82	2.95	2.72
Current Ratio	1.66	1.57	1.58
Coverage Ratios			
PBDIT/Interest	1.10	1.32	1.62
Working Capital Turnover Days			
Debtors Turnover - Days	238	216	186
Inventory Turnover - Days	290	257	205
Gross Turnover Days	528	473	391
Less: Creditors Turnover - Days	86	78	84
Net Turnover Days	442	395	307

CAPACITIES

Divisions	Units	Capacities p.a.
SPINNING	Tons	80,000
HOME TEXTILES		
Sheeting Fabric	mn mtrs	150
Terry Towels	Tons	13,400
APPAREL FABRIC		
Woven Fabric	mn mtrs	186
Knits	Tons	25,000
GARMENTS	mn pcs	22
POLYESTER		
Continuous Polymerisation	Tons	5,20,000
POY/Chips	Tons	(1,00,000)
DTY	Tons	(2,40,000)
FDY	Tons	(70,000)

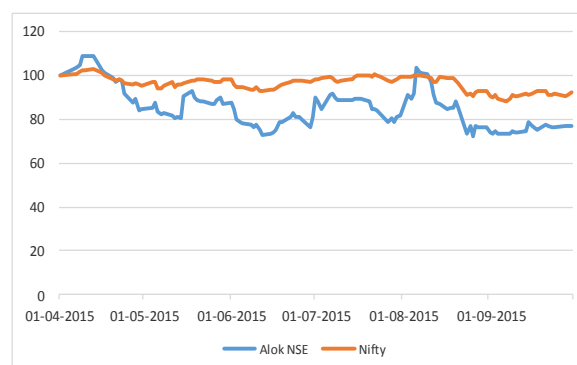
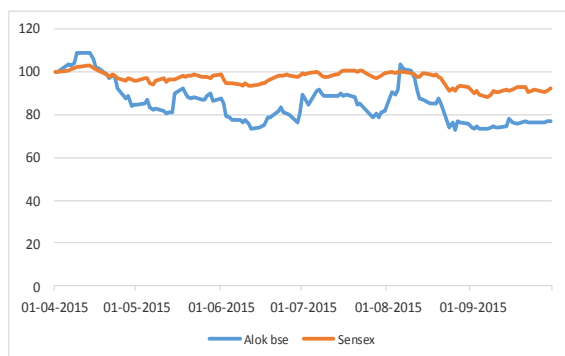
Polyester staple fibre / Cationic Yarn	Tons	(1,10,000)
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CAPITAL INFORMATION

SHARE PRICE AND VOLUMES

Month	BSE (In Rs. per share)			NSE (In Rs. Per share)		
	High	Low	Volume	High	Low	Volume
Sep-14	14.08	10.35	82805482	14.10	10.30	376875203
Oct-14	13.38	11.32	40938533	13.40	11.30	159554764
Nov-14	12.92	10.36	51176035	12.90	10.40	174583920
Dec-14	12.60	9.71	75881097	12.60	9.70	216096166
Jan-15	11.65	9.75	38450240	11.70	9.70	182923864
Feb-15	10.25	8.83	28106170	10.30	8.85	113794079
Mar-15	10.08	6.43	81832360	10.10	6.40	269827172
Apr-15	9.05	6.60	24974115	9.05	6.60	107974735
May-15	7.64	6.32	21942968	7.65	6.30	90344974
Jun-15	7.18	5.75	24551029	7.20	5.75	91321011
Jul-15	7.57	6.20	25822912	7.60	6.20	114153418
Aug-15	8.63	5.15	40096088	8.65	5.60	175609580
Sep-15	6.55	5.76	13355915	6.55	5.75	61331178

SHARE PERFORMANCE VIS-A-VIS STOCK MARKET INDICES



Note: Share prices and indices indexed to 100 as on 1 April 2015

EQUITY INFORMATION

Particulars	BSE	NSE
Equity as on 30 September 2015	1377115595	1377115595
Closing Price as on 30 September 2015	Rs. 6.45	Rs. 6.10
12-Month High	Rs. 12.92	Rs. 12.90
12-Month Low	Rs.5.15	Rs.5.60
Market Capitalisation as on 30 September 2015 (Rs. In Crores)	888.37	840.16

SHAREHOLDING PATTERN AS AT 30.09.2015

SHAREHOLDER ENTITIES	CURRENT QUARTER	PREVIOUS QUARTER
Promoters	37.24%	37.81%
Banks, Mutual Funds And FIs	6.80%	6.57%
FIs, NRIs And OCB	8.16%	8.64%
Other Corporate Bodies and Public	47.80%	46.98%
Total	100.00%	100.00%

99.75% of the promoters' holding have been pledged with FIs, MFs and other lenders as part of loan conditions. This represents a sum total of 511655191Shares (37.15% of the total equity of the Company)

TOP SHARE HOLDERS AS AT 30 SEP 2015

Sr. No.	Name of the Shareholders	Current Quarter	
		Shares	%
1	Promoters	512924925	37.24
2	Life Insurance Corporation of India	35164136	2.55
3	India Opportunities Growth Fund Ltd- Pinewood Strategy	28041298	2.04
4	ECL Finance Limited	22642893	1.64
5	IFCI Limited	18760723	1.36
6	IDBI Bank Limited	17888161	1.30
7	Dimensional Emerging Markets Value Fund	12063941	0.88
8	IL&FS Trust Company Limited A/c IL&FS Private Equity Trust -Leverage India Fund	9955642	0.72
9	United India Insurance Company Limited	7610690	0.55
10	MV SCIF Mauritius	7053480	0.51
11	Alok Tandon	6464772	0.47
	Other Large Shareholders – Sub Total	678570661	49.26
	Other Shareholders	698747234	50.74
	TOTAL	1377317895	100.00

BOARD OF DIRECTORS

Sr. No.	Name	Designation
1	Mr. Surinder Kumar Bhoan	Chairman (Independent)
2	Mr. Dilip B. Jiwrajka	Managing Director
3	Mr. Surendra B. Jiwrajka	Jt. Managing Director
4	Mr. Ashok B. Jiwrajka	Executive Director
5	Mrs. Lalita Sharma	Director – IDBI Nominee
6	Mr. Sudhir Garg	Director – IFCI Nominee
7	Mr. Pradeep Kumar Rath	Director – LIC Nominee
8	Mr. Atanu Sen	Director – SBI Nominee
9	Mr. K.C. Jani	Independent Director
10	Mr. K.H. Gopal	Executive Director & Secretary
11	Mr. Sunil O. Khandelwal	Executive Director & CFO

ECONOMIC OVERVIEW

THE GLOBAL ECONOMY

Global growth declined in the first half of 2015, reflecting a further slowdown in emerging markets and a weaker recovery in advanced economies. It is now projected at 3.1 percent for 2015 as a whole, slightly lower than in 2014, and 0.2 percentage point below the forecasts in the July 2015 World Economic Outlook (WEO) Update. Prospects across the main countries and regions remain uneven. Relative to last year, growth in advanced economies is expected to pick up slightly, while it is projected to decline in emerging market and developing economies. With declining commodity prices, depreciating emerging market currencies, and increasing financial market volatility, downside risks to the outlook have risen, particularly for emerging market and developing economies.

Global activity is projected to gather some pace in 2016. In advanced economies, the modest recovery that started in 2014 is projected to strengthen further. In emerging market and developing economies, the outlook is projected to improve: in particular, growth in countries in economic distress in 2015 (including Brazil, Russia, and some countries in Latin America and in the Middle East), while remaining weak or negative, is projected to be higher next year, more than off-setting the expected gradual slowdown in China

	2014	Projections	
		2015	2016
World Output	3.4	3.1	3.6
Advanced Economies	1.8	2.0	2.2
United States	2.4	2.6	2.8
Euro Area	0.9	1.5	1.6
Germany	1.6	1.5	1.6
France	0.2	1.2	1.5
Italy	-0.4	0.8	1.3
Spain	1.4	3.1	2.5
Japan	-0.1	0.6	1.0
United Kingdom	3.0	2.5	2.2
Canada	2.4	1.0	1.7
Other Advanced Economies ²	2.8	2.3	2.7
Emerging Market and Developing Economies	4.6	4.0	4.5
Commonwealth of Independent States	1.0	-2.7	0.5
Russia	0.6	-3.8	-0.6
Excluding Russia	1.9	-0.1	2.8
Emerging and Developing Asia	6.8	6.5	6.4
China	7.3	6.8	6.3
India ³	7.3	7.3	7.5
ASEAN-5 ⁴	4.6	4.6	4.9
Emerging and Developing Europe	2.8	3.0	3.0
Latin America and the Caribbean	1.3	-0.3	0.8
Brazil	0.1	-3.0	-1.0
Mexico	2.1	2.3	2.8
Middle East, North Africa, Afghanistan, and Pakistan	2.7	2.5	3.9
Saudi Arabia	3.5	3.4	2.2
Sub-Saharan Africa	5.0	3.8	4.3
Nigeria	6.3	4.0	4.3
South Africa	1.5	1.4	1.3

Sources: IMF, WEO Projections

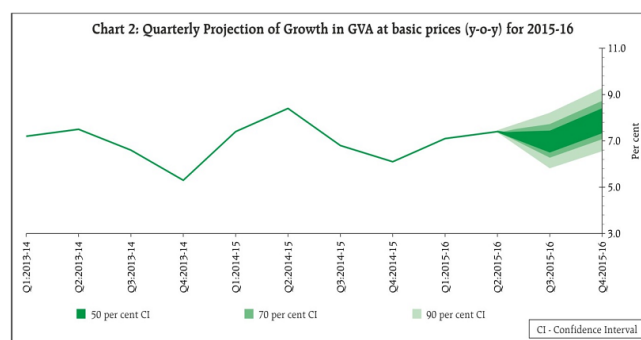
INDIA

Provisional estimates of gross value added (GVA) at basic prices for Q2 of 2015-16 rose on the back of acceleration in industrial activity. Other indicators suggest the economy is in the early stages of a recovery, though with some areas of continued weakness.

The Index of Industrial Production picked up in the second quarter. Early results of the Reserve Bank's order books, inventories and capacity utilisation survey indicate that there was robust growth in new manufacturing orders in the second quarter, and finished goods inventories declined while raw materials inventories increased

Retail inflation measured by the consumer price index (CPI) increased for the third successive month in October 2015, pushed up by a surge in the monthly momentum. Food inflation rose sharply in October, driven especially by pulses.

In the external sector, exports contracted for the eleventh month in a row to October, indicative of the persisting weakness in global trade. Net foreign direct investment (FDI), external commercial borrowings and accretions to nonresident deposits have risen in relation to last year; however, portfolio outflows from both debt and equity segments rose in November. During 2015-16 (up to November 20), there has been an accretion of US\$ 10.8 billion to the foreign exchange reserves.



Sources: Ministry of Finance (Govt of India) and RBI

THE TEXTILE INDUSTRY

World Developments

Yarn: On an annual basis, the global yarn production in Q2/2015 increased moderately due to positive developments in Asia and North America. Worldwide yarn stocks rose in Q2/2015 versus Q1/2015. Thereby, yarn stocks in Asia and South America were increased, while European stocks were reduced. Yarn orders in Europe rose in Q2/2015 quarter-on-quarter as well as year-on-year. In South America, however, they fell. Estimates for yarn production for Q3/2015 are positive in Asia and in North America, while they remain unchanged in Europe.

Fabric: The global fabric production in Q2/2015 fell compared the same quarter of the previous year. World fabric stocks were increased quarter-on-quarter in Q2/2015. Year-on-year, they also rose with increases in nearly all regions except for North America. Fabric orders in Q2/2015 decreased moderately in Europe quarter-on-quarter and rose in South America. On an annual basis, European orders rose, while they fell in South America. Estimates for fabric production for Q3/2015 are positive in Asia and unchanged in Europe.

Sources: ITMF and Textile World, UN COMTRADE, Wiseedge

India

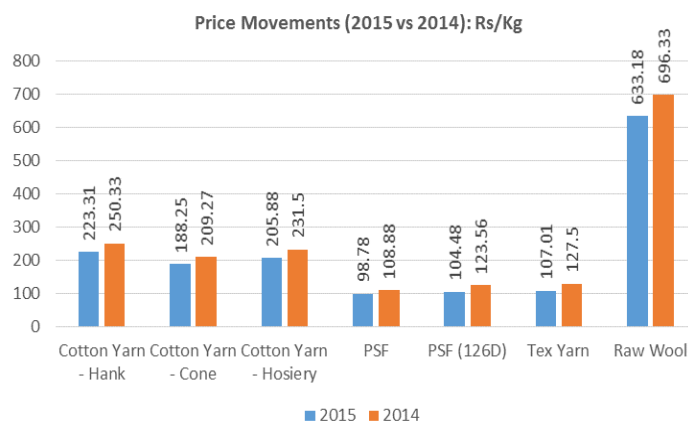
Man-made fibre production decreased by about 2% and filament yarn production decreased by about 8% during April-Oct. 2015-16.

Cotton yarn production increased by 5% during April-Oct. 2015-16. Blended and 100% non-cotton yarn production increased by 6% during the year April- Oct.2015-16.

Cloth production by mill sector decreased by 6% during April-Oct.2015-16. Cloth production by handloom and hosiery increased by 5% and 3% respectively during April- Oct. 2015-16.

Powerloom sector production increased by about 1% during April- Oct. 2015-16. The total cloth production during April- Oct. 2015-16 had shown an increase of 2% compared to the corresponding period of the previous year.

Prices across products were lower in 2015 over 2014 (for April-Nov)



Sources: Ministry of Textiles