



CORPORATE PRESENTATION

January 2013



Disclaimer

"Alok Industries Limited is proposing, subject to market conditions and other considerations, a rights issue and has filed a draft letter of offer dated 26th September, 2012 ("Draft Letter of Offer") with the Securities Exchange Board of India (the "SEBI"), BSE Limited and National Stock Exchange of India Limited (collectively referred to as the "Stock Exchanges"). The Draft Letter of Offer is available on the website of SEBI at www.sebi.gov.in, the websites of the Stock Exchanges at www.bseindia.com and www.nse-india.com, and the websites of the Lead Managers at www.sbicans.com, www.cfsl.in, www.emkayglobal.com, www.enam.com, www.fortune.co.in and www.idbicapital.com. Investors should note that an investment in equity shares involves a high degree of risk and are requested to refer to "Risk Factors" in the Draft Letter of Offer. The equity shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "US Securities Act"), or any state securities laws in the United States and may not be offered or sold in the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the US Securities Act) except in a transaction exempt from the registration requirements of the US Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur."

Alok - Overview

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- Vertically Integrated Textile Company both in cotton and polyester
- Sales of ₹ 8,900.86 Crores (\$1,716.65 mn.) and Operating PAT of ₹ 502.80 Crores (\$96.97 mn.) in FY 2012 (Audited)
- Export of ₹ 3,029.56 Crores (\$584.29 mn.) in FY 2012 (Audited)

Modern manufacturing facilities with Integrated Management System Certification

- More than 25 years of experience and produce a wide range of textile products



Our Vision and Mission

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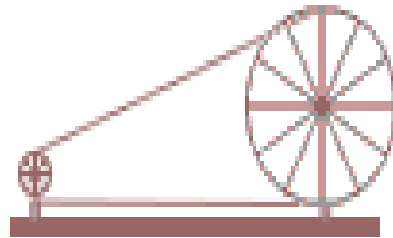
To be the world's best integrated textile enterprise, driven by research & innovation, with a leadership position across products & markets exceeding customer & stakeholder expectations

The barometer of our success would be the ROCE

OUR MISSION WILL:

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



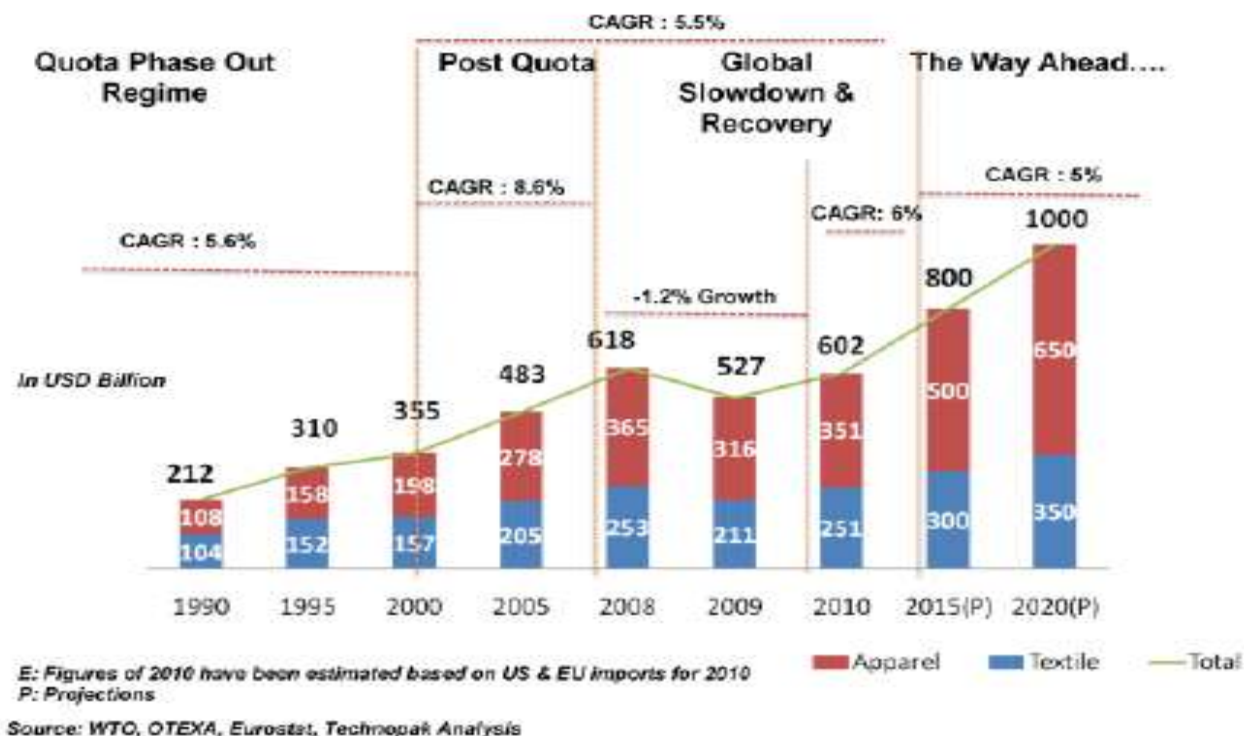


Textile Industry Synopsis

Global Textile Trade - Vision 2020

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- Global trade in textiles and clothing increased to US\$ 706 bn in FY2011 from US\$ 355 bn. in FY2000
- Expected to grow to US\$ 1,000 bn in 2020 from US\$ 706 bn in 2011 at a CAGR of 4%.



Top exporters	2005		2011	
	Value	%	Value	%
China	132.8	27.5%	248	35.14%
EU-27	148.3	30.7%	193	27.30%
India	16.1	3.3%	29	4.16%
Turkey	18.9	3.9%	25	3.50%
United states	17.4	3.6%	39	5.54%
Others	149.5	31%	172	24.36%
Total	483	100%	706	100.0%

Top Importers	2005		2011	
	Value	%	Value	%
EU-27	195	40.3%	273	38.65%
USA	103	21.2%	114	16.13%
Japan	28.4	5.9%	17	2.44%
China	17.7	3.7%	23	3.24%
Canada	10.3	2.1%	14	1.99%
Others	129.5	26.8%	11	1.60%
Total	483	100%	706	100.00%

Top Exporters & Importers of Textiles and Clothing

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Top Exporters	1990		1995		2000		2005		2011	
	Value	%	Value	%	Value	%	Value	%	Value	%
China	28.3	13.3%	49.3	15.9%	78	22.0%	132.8	27.5%	248.18	35.14%
EU - 27	91.6	43.2%	110.7	35.7%	101	28.3%	148.3	30.7%	192.76	27.30%
India	4.7	2.2%	8.5	2.7%	10.2	2.9%	16.1	3.3%	29.38	4.16%
Turkey	4.8	2.3%	8.7	2.8%	10.2	2.9%	18.9	3.9%	24.72	3.50%
USA	7.6	3.6%	14	4.5%	19.6	5.5%	17.4	3.6%	39.14	5.54%
Others	75	35.4%	118.9	38.4%	137	38.5%	149.5	31.0%	172.00	24.36%
Total	212	100.0%	310	100.0%	355	100.0%	483	100.0%	706	100.00

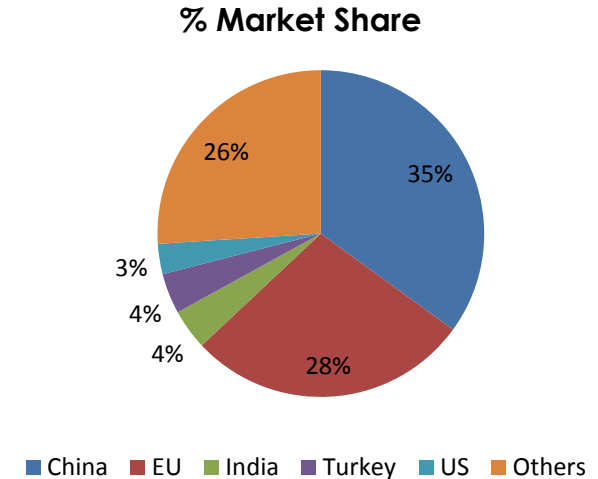
Top Importers	1990		1995		2000		2005		2011	
	Value	%	Value	%	Value	%	Value	%	Value	%
EU - 27	107	50.6%	131	42.4%	129	36.3%	195	40.3%	273.02	38.65%
USA	33.7	15.9%	51.8	16.7%	82.1	23.1%	103	21.2%	113.95	16.13%
Japan	12.8	6.0%	24.7	8.0%	24.7	7.0%	28.4	5.9%	17.23	2.44%
China	5.3	2.5%	11.9	3.8%	16	4.5%	17.7	3.7%	23	3.24%
Canada	4.7	2.2%	5.9	1.9%	7.8	2.2%	10.3	2.1%	14	1.99%
Russia	-	-	1.4	0.5%	3.9	1.1%	10.5	2.2%	11	1.60%
Others	48.2	22.7%	82.9	26.7%	91.6	25.8%	119	24.6%	254	35.95%
Total	212	100.0%	310	100.0%	355	100.0%	483	100.0%	706	100.00

Global Textile Trade - China Dominates

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China is the leading source base for textile and apparel with a majority share of about 35% of global export:

- Textile production has shifted from western countries to China and India and these countries have become production hubs
- China is a leader in textile production with total industry size of USD 351 bn. (domestic USD 135 bn. And exports USD 216 bn.)
- China's export of textile and clothing has increased from USD 28.3 bn. (13.3% of World trade) In 1990 to USD 216 bn. (35.9% of world trade) In 2010. It took over almost entire share that EU lost during this period



CHINA Domination - Whether Sustainable ?

Long Term Challenges :

- **Transition to Developed Economy** – With China emerging as the second largest economy, its concentration on high end industries is increasing and textile is not as focused industry as it was 20 years back
- **Huge Domestic consumption** – Huge Consumption growing at a CAGR of about 13% likely to impact Chinese ability to Export
- **Environmental Concerns** - Textile is a energy consuming industry. China has started facing problems for generation of power due to environmental concerns. Moreover it wants to use its resources for promoting high end industries

Current Challenges:

- **Increase in Labour cost** – Chinese average wage cost is about USD 450 pm vis-à-vis India which is about USD 200 pm. Wage inflation in China is about 18%
- **Currency Appreciation** - Appreciation in Yuan by 1.25% and depreciation of Rupee by 10% making India more competitive
- **Aeging population-** Increase in aeging population and one child policy will cause wage inflation to rise at a faster pace in future

Indian Textile Industry

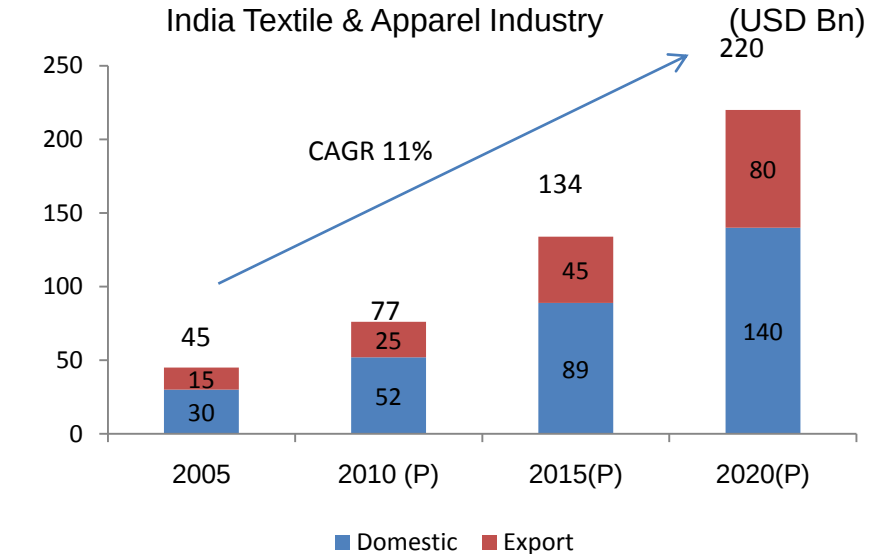
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- Second largest producer of Cotton, textiles and garments after China. And is the only textile manufacturing country with a cotton surplus
- Second largest employer in India after agriculture – Direct Employment to 35 mn people and indirect employment to 50 mn people
- Constitutes about 12% of India's exports and about 4% to GDP
- India is amongst the few countries in the World which has presence across the textile value chain
- Investment made in Textile sector post quota regime is ₹ 208,0000 Mn

India's USD 78 Billion Total Textile and Apparel industry has the potential to grow @ 11% CAGR to reach USD 220 Billion by 2020

Domestic Demand Drivers :

- **Increasing retail penetration** – Textiles and clothing retail comprise 40% of organised retailing in India. Share of organised retailing to increase from about 5% currently to about 24% by FY 2020
- **Higher disposable income** – Rising per capita income estimated at USD 1200 p.a leading to consumption of Textiles increasing at 11% CAGR
- **Favourable demographic profile**-The % of earning population (15-60 years) in the total population is rising and is around 60%.



Export Demand Drivers :

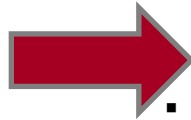
- **Production Shift** - Textile manufacturing continues to shift to low cost Asian countries
- **De-Risking from China** - Overseas buyers are now looking at India as an alternative to de-risk their sourcing requirements from China
- **Advantage India** - Availability of raw materials , especially cotton, integrated operations and design skills in India

FUTURE TRENDS - Indian Organized Market to Grow

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Recent Phenomena – Impact on Small & Un-Organized Players

- Sudden drop in prices of cotton - Shankar 6 variety of cotton came down from about ₹ 57,000/candy to ₹ 35,500/candy
- Sudden depreciation in indian rupee vis-a vis US\$ from about ₹ 44.62 levels in April 2011 to ₹ 55 January 2013
- Slow down in major export markets (USA & Europe) leading to consolidation of sourcing
- Rise in power cost for south based spinning units due to erratic power supply from the grid
- Sharp increase in interest cost



Future Trend - Organized Market to Expand :

- The government in the past supported small and medium players in segments such as weaving, garments and knits for creating job opportunities. This led to growth of small and fragmented units
- Textiles scenario has changed significantly in the last decade and more after removal of quota from December 2004.
- Liberalization of the textiles sector and several measure have taken place to promote large and integrated textile units
- Future growth in textiles to be driven by organised players and their share is expected to increase from the present 5-6% to about 15-20% by 2020

FUTURE FIBRE – Cotton to become expensive – Shift Towards Polyester & Blended Fabrics

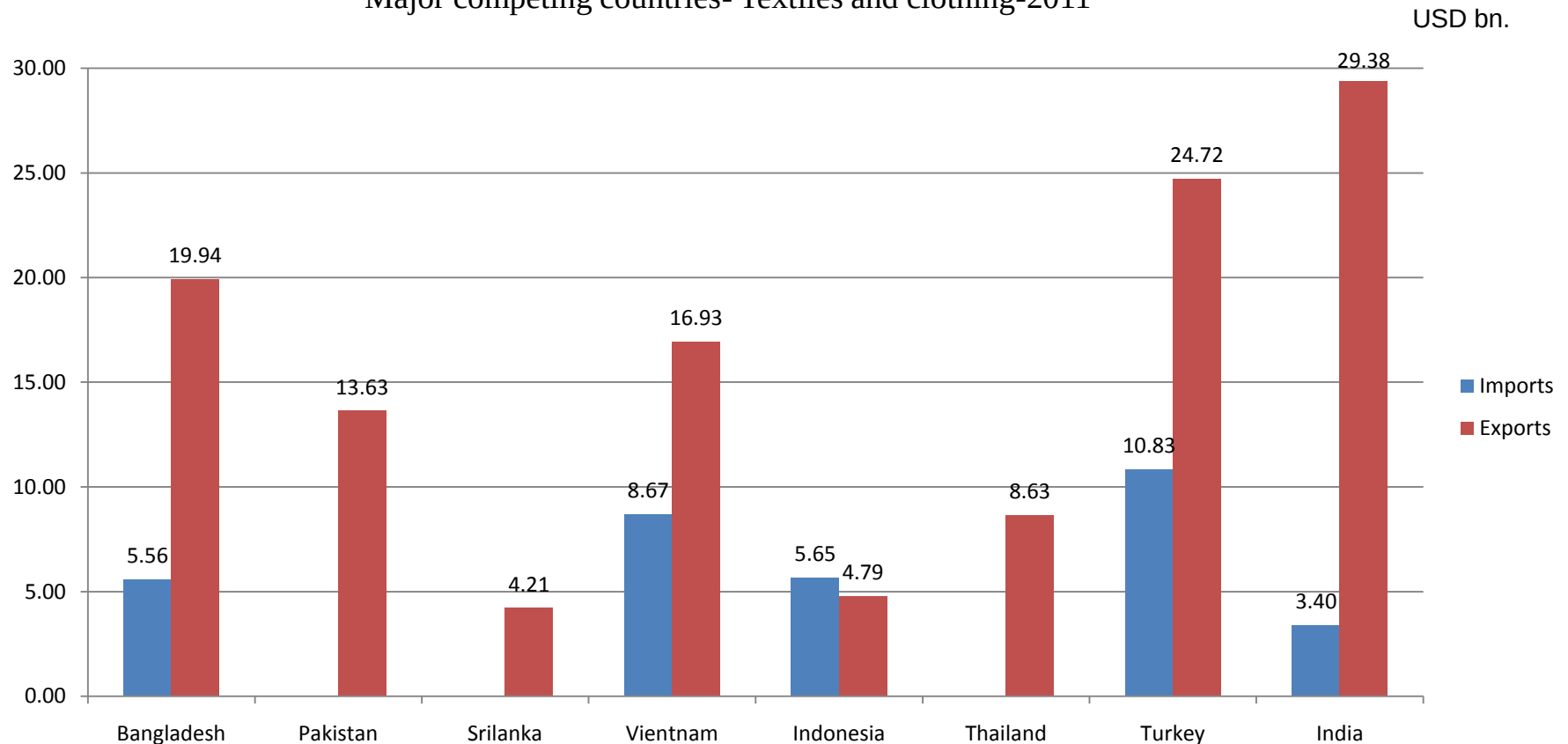
- **Increase in Cotton Prices** - Increase in cotton prices from ₹ 17K per candy to ₹ 34K per candy by 2012
- **Cotton under pressure due to rising Demand** - India's cotton surplus situation is likely to be over in next 3- 4 years with rising domestic consumption and exports
- **Reduction in Polyester Duties** - Heavy duties levied earlier on polyester now brought down to 12% by Government
- **Better Return on Capital** - Polyester business where assets turnover is about 2.00 times and consequent ROCE is 25%.

Sector	Asset turnover	NW capital days	ROCE
Integrated cotton Textile mill	0.5 times	110 days	10 - 12%
Integrated polyester yarn mill	2 times	60 days	25– 28%

India's Exports and Imports vis-à-vis other competing countries

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Major competing countries- Textiles and clothing-2011



Most of the competing countries are importing textiles and exporting clothing. India is the least importer of textiles implying self sufficiency in textiles

World Cotton and Fibre Scenario

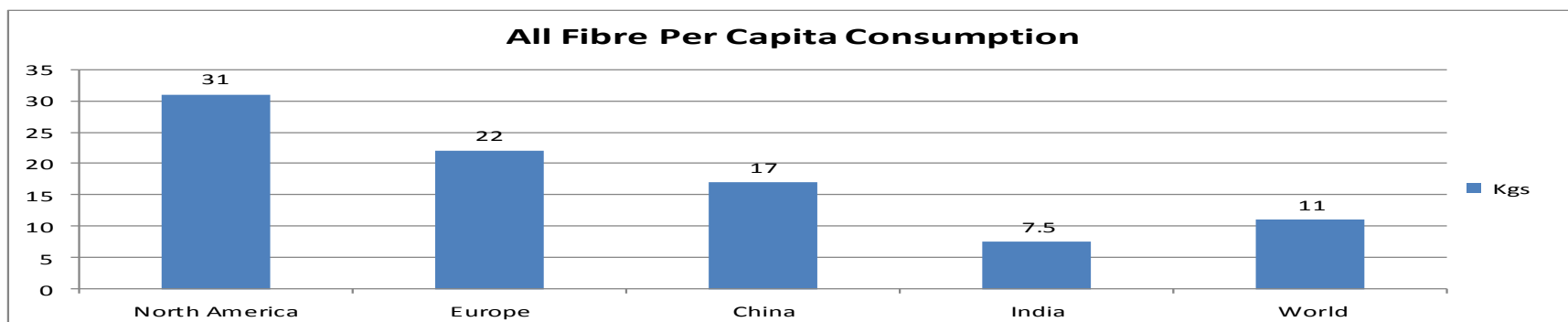
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- World Cotton Production is about 24870 mn. Tonnes and world consumption of cotton is about 24460 mn. Tonnes
- India is the only manufacturing country in textiles, which is cotton surplus
- Major Producer and consumption centre are as under
Mn. tonnes

Country	Production	Consump tion	Exports	Imports
China	6400	9600	30	2610
India	5770	4550	1170	85
USA	3940	850	3130	-
Pakistan	1910	2200	130	310
Brazil	1960	990	435	150
Turkey	450	1250	-	750
Sub-total	20430	19440	4895	3905
World	24870	24460	7600	7600
% of top 6 countries	82.2%	79.5%	64.4%	51.4%

World per capita consumption of fibre

- World all fibre per capita consumption in 2011 is estimated at 11 kg. of which cotton is about 3.5 kg representing about 32% of the total consumption
- Per capita consumption of North America is about 31 kg., West Europe is about 22 kg., China is at 17 kg. and India is about 7.5 kg.
- The growth in per capita consumption of cotton fibre is more or less stagnant
- With growth in world population and increase in consumption of textiles in the emerging economies, the polyester fibre is likely to be the most consuming fibre



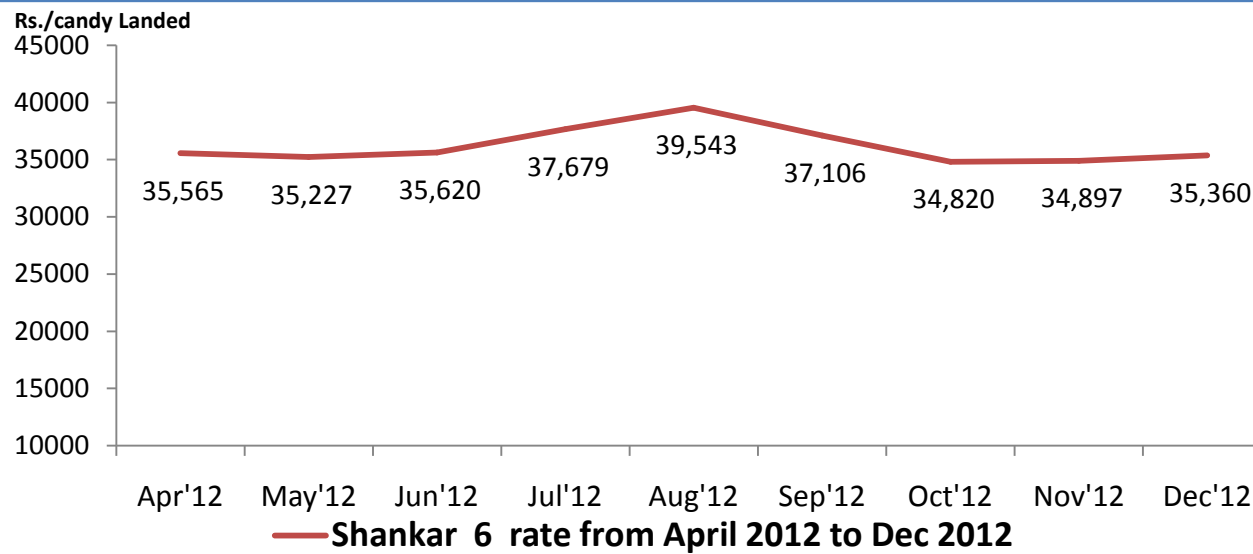
Investments Required in the Textile Supply Chain by 2020¹⁴

In order to capture the additional market (US\$ 150 Bn) created for Textile and Apparel by 2020, investments to the tune of ₹ 3,20,000 crores (US\$ 68 Bn) across the textile supply chain will be required

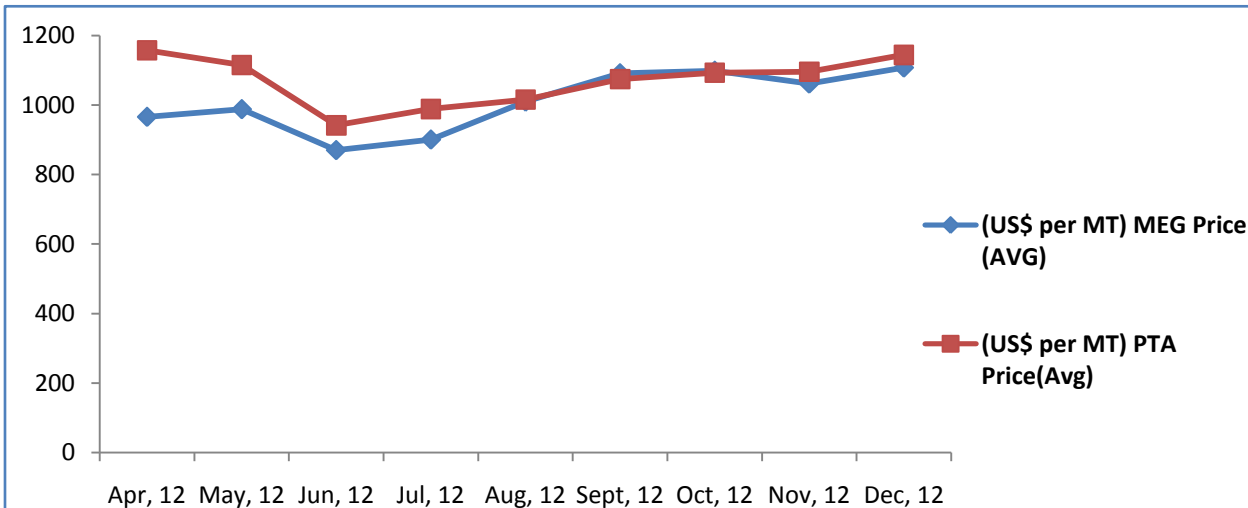
Segment	Additional Production	Additional Capacities Required	Investment required	
			In ₹, Crores	In US\$ Bn.
Spun Yarn	3.9 Bn. kg	New Spindles – 13.6 million Modernized Spindles – 8 million	42,000	9
Filament yarn	5.8 Bn. Kg	Production from modernized capacity – 0.5 Bn. Kg Production from brownfield expansion –4.2 Bn.Kg Production from greenfield projects – 1.1 Bn.kg	31,000	7
Weaving	50 Sq. m.	New Shuttleless Looms – 77 thousand Second hand Shuttleless Looms – 65 thousand Semi-automatic – 2 Lakhs Plain – 2.35 Lakhs	37,000	8
Knitting	76 Bn. Sq. m.	New Machines – 84 thousand Second hand Machines – 56 thousand	25,000	5
Processing	95 Bn. Sq. m		90,000	19
Garment and Made-ups	38 Bn. Pcs	Machines required – 21 lakhs (for 2 shift working)	65,000	14
Technical Textiles			30,000	6
Total			3,20,000	68

Source: Technopak

Raw Material Prices Likely to remain subdued this year 15



This year the cotton crop is likely to be at record level of 356 mn. bales (325 mn. bales in previous season) due to the increase in the area under cultivation and better farm yield. Also, the world production is likely to increase by about 8% to 26,879 mn. tons (24,879 mn. tons in previous season). Hence, the prices of cotton are likely to be on a lower side during this season



The polyester prices are all set to scale up. Globally polyester intermediates have firmed up and same is being reflected in the Indian market. The PTA prices have gone up by US \$ 48 per tonne while MEG is up by US \$ 46 per tonne in the international market during the month of December 2012.

Alok Industries Ltd - TMInnovative Textile Solutions

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1 \$ = ₹ 51.85 as on March 31, 2012

Alok with a revenue of USD 1.72 bn. enjoys a market share of about 2.20% in the Indian Textile Trade

Segment Wise Revenue

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Segment	Target Customer	Share of Business 2012		Share of Business 2011	
		₹ Crores	\$ mn.	₹ Crores	\$ mn.
COTTON YARN	<ul style="list-style-type: none">Captive ConsumptionExport to traders, manufacturing units, weavers	322.28	62.16	552.90	106.63
		3.62%		8.65%	
APPAREL FABRICS (Woven & Knits)	<ul style="list-style-type: none">Garment exporters in India / converter countriesDomestic garment manufacturers, retailers and tradersInstitutional Segment	4,131.66	796.85	2,973.19	573.42
		46.42%		46.54%	
HOME TEXTILES (Sheet sets, comforters, etc)	<ul style="list-style-type: none">Export to Overseas retailers and brandsDomestic retailers and brandsH&A and STORE TWENTY ONE Stores	1,250.42	241.16	1,000.11	192.89
		14.05%		15.65%	
GARMENTS (Woven & Knits)	<ul style="list-style-type: none">Export to Overseas retailers and brandsDomestic retailers and brandsH&A and STORE TWENTY ONE Stores	217.28	41.91	174.05	33.57
		2.44%		2.72%	
POLYESTER YARN (POY & Texturised Yarn)	<ul style="list-style-type: none">Domestic power loom weaversDirect exports	2,979.22	574.58	1,688.19	325.59
		33.47%		26.43%	
Total		8,900.86	1,716.66	6,388.44	1,232.10
		100.00%		100.00%	
1 \$ = ₹ 51.85 as on March 31, 2012					

Alok's Advantage

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- Timely expansions have led to becoming one of the largest textile players
- Exports increased from ₹ 100 Crores (USD 19.29 mn.) in 2004 to about ₹ 3029.56 Crores (USD 584.29 mn.) in 2012 at a CAGR of about 53%
- Established relationship and Preferred Vendor status with leading retailers
- Critical supplier for the Buyer due to Quality, Cost & Delivery (QCD)
- Economies of scale coupled with low interest cost giving competitive advantage
- Sustained margins due to forward and backward Integration
- Wide range of products offered across different market segments
- Product development and designing strength
- Most modern state of the art plants with world class infrastructure like captive power plants, reverse osmoses ETP Plants, Housing Colonies, In-house Fire Brigades, Design Studios, Training Centers, etc.

1 \$ = ₹ 51.85 as on March 31, 2012



Manufacturing Capacities

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Divisions	Units	Current Estimated Capacities	Under Implementation	Capacities Post Expansion
SPINNING	Tons (Spindles)	80,000 (411,840)	3,600 (11,232)	83,600 (423,072)
HOME TEXTILES				
Processing	mn. Mtrs	105.00	-	105.00
Weaving	mn. Mtrs	96.00	-	96.00
Terry Towels	Tons	13,400	-	13,400
APPAREL FABRICS				
Processing Woven	mn. Mtrs	130.0	-	130.00
Weaving	mn. Mtrs	186.00	-	186.00
Knits	Tons	18,200	6,800	25,000
Embroidery	Mn. mtrs.	22.0	-	22.0
GARMENTS	mn. Pcs.	22.0	-	22.0
POLYESTER YARN				
CP	Tons	500,000	-	500,000
Chips / POY	Tons	310,000	(144,000)*	166,000
Texturised Yarn (DTY)	Tons	120,000	50,000	170,000
Fully Drawn Yarn (FDY)	Tons	70,000	-	70,000
Cationic Yarn	Tons	-	24,000	24,000
Polyester Staple Fibre (PSF)	Tons	-	70,000	70,000

* Capacity being used for more value added products like DTY, FDY, Cationic Yarn, PSF

Diversified Customer Base

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Export

KOHL'S
expect **great** things™

the magic of
macy's

K
kmart.

DEBENHAMS
NORDSTROM

Walmart
Save money. Live better.

IKEA

GAP

TARGET

C&A

YOUR **M&S**

mothercare

jcpenny

Abercrombie & Fitch

ANN TAYLOR

VICTORIA'S SECRET

Domestic

Raymond

pantaloons
FRESH FASHION

WILLS LIFESTYLE

COATS

gokaldas exports ltd.

CG Creative
G R O U P

BRFL
Bombay Rayon Fashions Limited

ZODIAC

Other leading garments exporters and retailers

Focused Segment - Speciality Fabrics

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Special Finishes	User Industry
Stain Guard	Hospitality
Anti Static	Industrial
Anti Bacterial Finish	Health care
Infra Red Finish	Defense
High Visibility	Aviation
Flame Retardant	Fire Brigades & Petrol Pumps



- The company would be focusing more on increasing the proportion of specialty fabrics
- Technical Textiles market is estimated at ₹ 49,000 crores (US\$ 10.5 bn) in 2009 and expected to reach ₹ 146000 crores (US\$ 31 bn) by 2020 growing @ 10% CAGR

Certifications

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▪ ISO Certifications

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

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



▪ ECO-Certification

Alok has been awarded all three certifications for its eco-friendly products as under:

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



Credit Rating - As per Basel II Norms

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

- **“CARE A”** rating assigned for the long term facilities
 - Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk
- **“CARE A1”** rating assigned for the Short Term facilities
 - This rating is applicable to facilities having tenure up to one year. Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk



Financial Analysis

General Information

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Present Equity	₹ 826.27 Crores (826.27 million shares)
Listed at	BSE and NSE
Market Price	₹ 12.14 as on January 8, 2013
Market Capitalization	₹ 1003 Crores
52 weeks High / Low	High: ₹ 23.90 Low: ₹ 10.48
Plant Locations	Vapi, Silvassa, Navi Mumbai and Bhiwandi
Directors	13 directors (3 promoter directors)
Employees	28,000+

Share Holding Pattern as on December 2012

Particulars	No. of Shares	% Holding
Promoters & Promoter Group	282,216,518	34.16%
Mutual Funds/Insurance Companies/Venture Capital Funds/Banks	906,969,580	10.97%
FII's, FDI and NRIs/OCBs	52,093,957	6.30%
OCB's & Indian Public	401,289,302	48.57%
Total	826,269,357	100.00%

89.59% of the promoters holdings have been pledged with FIIs, MFs and other lenders as part of loan conditions

Historical Standalone Financials - Profitability

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Profitability	H1 2012-13		2012		2011		2010	
	₹ Crores	\$ Mn	₹ Crores	\$ Mn	₹ Crores	\$ Mn	₹ Crores	\$ Mn
Sales	5747.52	1,108.49	8,900.86	1,716.66	6,388.44	1,232.10	4,311.17	831.47
Operating EBITDA	1648.05	317.85	2,624.75	506.22	1,879.71	362.53	1,272.48	245.42
Depreciation	431.69	83.26	713.43	137.59	518.79	100.06	362.61	69.93
Operating EBIT	1216.36	234.59	1,911.32	368.62	1,360.92	262.47	909.87	175.48
Interest	651.36	125.62	1,149.55	221.71	736.27	142.00	535.08	103.20
Operating Profit Before Tax (PBT)	565.00	108.97	761.77	146.92	624.64	120.47	374.79	72.28
Profit Before Tax	491.95	94.88	640.50	123.53	583.19	112.48	374.79	72.28
Operating PAT	246.64	47.57	502.80	96.97	445.81	85.98	247.34	47.70
PAT	319.69	61.66	380.53	73.39	404.36	77.99	247.34	47.70
Cash Profit	751.38	144.91	1,215.22	234.57	1,080.96	208.48	711.89	137.30
Basic EPS (₹)	3.87		4.69		5.13		4.57	
Ratios – Profitability								
EBITDA (%)	28.67%		29.49%		29.42%		29.52%	
Profit Before Tax (%)	9.83%		8.56%		9.78%		8.69%	
Profit After Tax (%)	5.56%		4.28%		6.33%		5.74%	
PBDIT / Interest	2.53		2.28		2.55		2.38	
Return on Net worth (%)	8.00%		10.41%		11.22%		7.92%	
Return on Capital Employed(%)	13.94%		12.63%		10.11%		9.30%	

Historical Standalone Financials - Balance Sheet ²⁷

LIABILITIES	H1 2012-13		2012		2011		2010	
	₹ Crores	\$ Mn	₹ Crores	\$ Mn	₹ Crores	\$ Mn	₹ Crores	\$ Mn
Equity Share Capital	826.28	159.36	826.28	159.36	787.79	151.94	787.79	151.94
Tangible Net worth	3994.21	770.34	3,655.48	705.01	3,097.60	597.42	2,716.19	523.86
Deferred Tax Liability	592.16	114.20	626.77	120.88	507.66	97.91	406.98	78.49
Total Borrowings	13,824.34	2666.22	12,772.23	2,463.30	9,820.57	1,894.03	8,509.68	1,641.21
Current Liabilities	2,145.34	413.76	1216.87	234.69	843.00	162.58	544.00	104.92
Total	20,556.05	3964.52	18,271.35	3,523.89	14,268.83	2,751.94	12,176.85	2,348.48
ASSETS								
Net Fixed Assets	9677.97	1866.53	9,466.19	1,825.69	8,333.74	1,607.28	7,145.11	1,378.03
Current Assets	9153.28	1765.34	8,625.21	1,663.49	5,767.91	1,112.42	4,801.88	926.11
Investments and others	1724.80	332.64	179.94	34.70	167.18	32.24	229.86	44.33
Total	20,556.05	3964.52	18,271.35	3,523.89	14,268.83	2,751.94	12,176.85	2,348.48
Ratios – Balance Sheet								
Net Debt / Equity	3.37		3.14		2.75		2.62	
Current Ratio	1.20		1.24		1.26		1.83	

1 \$ = ₹ 51.85 as on March 31, 2012

Historical Consolidated Financials - Profitability 28

Profitability	H1 - 2013		2012		2011		2010	
	₹ Crores	\$ Mn	₹ Crores	\$ Mn	₹ Crores	\$ Mn	₹ Crores	\$ Mn
Sales	6189.62	1193.76	9784.72	1,887.12	6614.90	1,275.78	4424.34	853.30
Operating EBITDA	1579.18	304.57	2471.92	476.74	1854.23	357.61	1231.79	237.57
Depreciation	450.58	86.90	749.14	144.48	530.97	102.41	366.92	70.77
Operating EBIT	1128.60	217.67	1722.78	332.26	1323.26	255.21	864.87	166.80
Interest	726.15	140.05	1234.70	238.13	782.15	150.85	578.90	111.65
Operating Profit Before Tax (PBT)	402.45	77.62	488.08	94.13	541.11	104.36	285.97	55.15
Profit Before Tax	421.09	81.21	366.81	70.74	501.24	96.67	285.97	55.15
Operating PAT	225.41	43.47	214.26	41.32	351.41	67.77	137.71	26.56
PAT	244.05	47.07	92.99	17.93	311.54	60.08	137.71	26.56
Cash Profit	694.63	133.97	1064.37	205.28	979.72	188.95	601.59	116.03
Basic EPS (₹)	2.95		1.15		3.95		2.54	
Ratios – Profitability								
EBITDA (%)	25.51%		25.26%		28.03%		27.84%	
Profit Before Tax (%)	6.80%		3.75%		7.58%		6.46%	
Profit After Tax (%)	3.94%		0.95%		4.71%		3.11%	
PBDIT / Interest	2.17		2.00		2.37		2.13	
Return on Net worth (%)	7.90%		3.25%		11.16%		4.94%	
Return on Capital Employed(%)	8.09%		9.11%		8.87%		6.94%	

1 \$ = ₹ 51.85 as on March 31, 2012

Historical Consolidated Financials - Balance Sheet

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LIABILITIES	H1 - 2013		2012		2011		2010	
	₹ Crores	\$ Mn	₹ Crores	\$ Mn	₹ Crores	\$ Mn	₹ Crores	\$ Mn
Equity Share Capital	826.28	159.36	826.28	159.36	787.79	151.94	787.79	151.94
Tangible Net worth	3088.39	595.64	2860.37	551.66	2792.06	538.49	2732.50	527.00
Deferred Tax Liability	592.65	114.30	627.07	120.94	507.84	97.94	407.15	78.52
Total Borrowings	16427.24	3168.22	16050.47	3,095.56	12122.96	2,338.08	9672.57	1,865.49
Current Liabilities	2695.52	519.87	1616.43	311.75	1052.81	203.05	843.97	162.77
Total	22,803.80	4398.03	21,154.34	4,079.91	16,475.67	3,177.56	13,656.19	2,633.79
ASSETS								
Net Fixed Assets	9152.99	1765.28	9776.58	1,885.55	8413.83	1,622.73	8167.03	1,575.13
Current Assets	9504.04	1832.99	9784.40	1,887.06	6344.45	1,223.62	5072.30	978.26
Investments and others	4146.77	799.76	1593.36	307.30	1717.39	331.22	416.86	80.40
Total	22,803.80	4398.03	21,154.34	4,079.91	16,475.67	3,177.56	13,656.19	2,633.79
Ratios – Balance Sheet								
Net Debt / Equity	5.18		5.12		3.91		3.02	

1 \$ = ₹ 51.85 as on March 31, 2012

Integration leading to Sustainable Margins

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Data is Based on Alok's Cost of Production	Cotton to Cotton Yarn	Cotton to Finished Fabric	Finished Fabric to Garments (stand alone)	Cotton Integrated Operations till Garments	Polyester Integrated Operations
Raw Material Cost as % of Sales	52.0%	27.0%	52.0%	15.0%	70.0%
Conversion Cost as % of Sales	18.0%	38.0%	33.0%	55.0%	15.0%
EBIDTA Margin %	30.0%	35.0%	15.0%	30.0%	15.0%
Total Asset Turnover	0.75	0.60	7.5	0.90	2.00
ROCE % (at EBITDA level)	22%	18%	37.50%	21.0%	25.0%

Textile Value Chain - Cotton



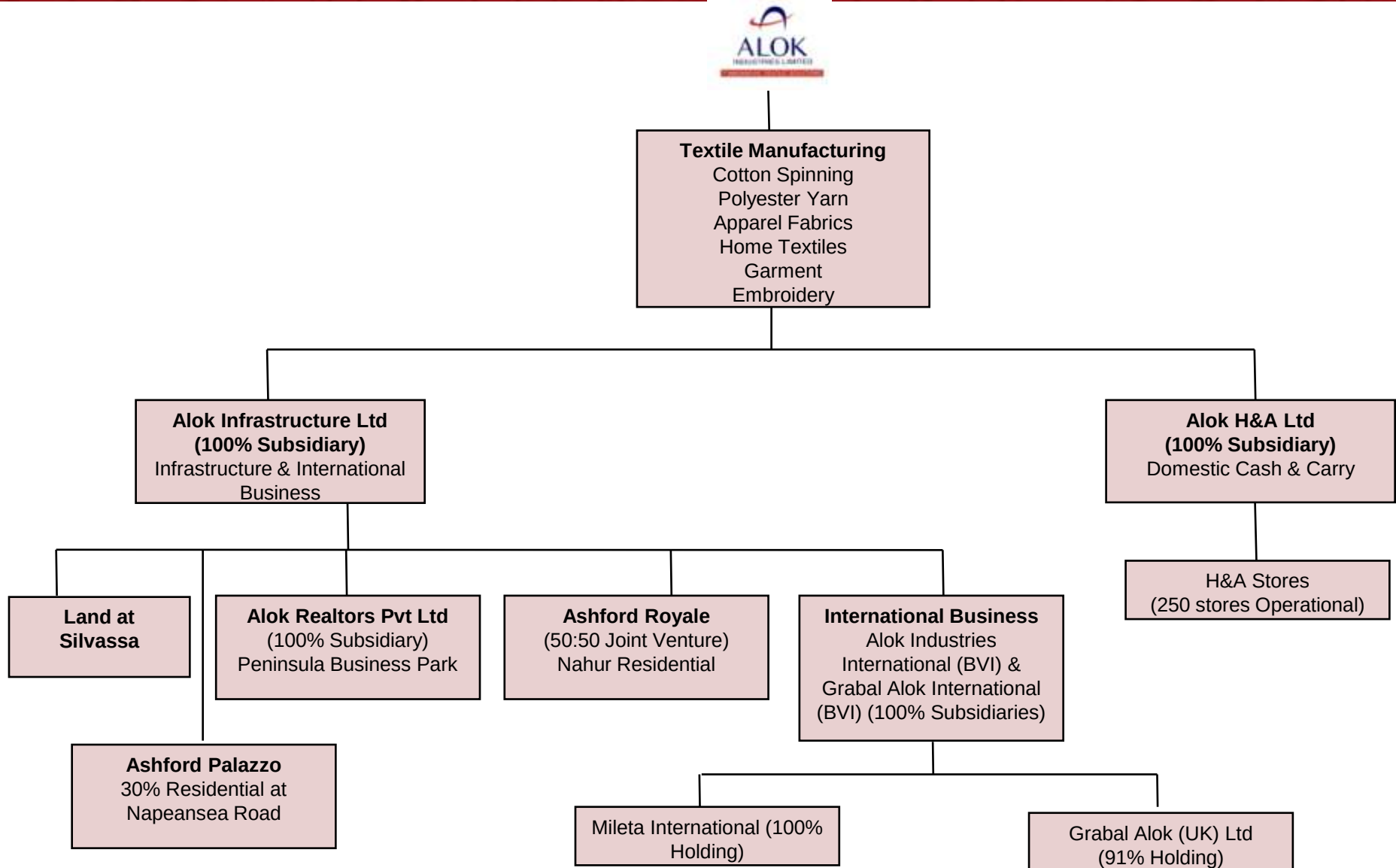
Textile Value Chain - Polyester



← PRESENCE - ALOK INDUSTRIES →

Alok Group Structure

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Monetisation of Investments

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Domestic Retail – H&A

- The Company's domestic cash and carry operations are carried out in 100% subsidiary "Alok H&A Ltd."
- Stores offer quality products in home textiles, men's wear, women's wear, kids wear and accessories like ties, handkerchiefs, cuff lings etc.
- 250 Stores (Exclusive Brand Outlet – 100, Shop in Shop – 150) on franchisee basis
- With allowing of FDI in Multi Brand Retail, the company would be looking at diluting its stake

UK Retail – Store Twenty One

- Alok has a stake of 91% in Grabal Alok (UK) Ltd. Which has 210 stores under the brand "Store Twenty One"
- The stores offer a value proposition for quality apparel for women, men, and children. They also sell accessories (artificial jewellery, shoes, leather bags, toys etc.)
- Gross turnover of about GBP 43.87 million for the half year ended September 30, 2012
- The company is closing non profitable stores and looking at exiting the business by sale of stake

Mileta – Czech Republic

- Mileta a Czech based manufacturing company is a 100% subsidiary of Alok through its wholly own subsidiary Alok Industries International limited
- Sales of Euro 18.52 mn. in FY 2011-12
- Having derived the benefit from the Mileta, the company is looking at exiting the same.



Realty Operations- Alok Infrastructure Limited

Sr. No.	Project Name and location	Proposed Use	Alok's Equity share (%)	Area
1	Land at Silvassa	Industrial Use	100%	538 acres
2	Peninsula Business Park, Mumbai	Commercial / ITES 20 storey, 600 car parking	100%	614,999 Sq. ft.
3	Ashford Royale, Mumbai	Residential	50%	1.1 mn. Sq. ft.
4	Ashford Centre, Mumbai	Commercial Office Space, 8 storey , 40 car parking	100%	60000 Sq. ft.
5	Ashford Palazzo, Mumbai	Residential	30%	100000 Sq. ft.
6	Land at Vapi	Residential	50%	36 acres
7	Lotus Corporate Park, Mumbai	Commercial	100%	13500 Sq. ft.

The company has achieved good progress in monetization of its real estate as per the details given below:

Name of the Property	No. of Floors sold	Total Consideration (₹ Crores)	Amount Received (₹ Crores)
Peninsula Business Park	18 floors	901.69	210.28
Ashford Centre	4 floors	61.91	13.06
Land at Silvassa	74 acres	58.00	40.41
Total		1021.60	263.75

Major Concerns on Company and Mitigation Measures

CONCERN	REASON	MITIGATION MEASURES
High Gearing	The company did large capex of about ` 10,793 crores (USD 2 bn.) across various divisions in the last 8 years till March 2012 mainly funded by debt	<p>Present Long Term credit rating of the company is A assigned by CARE. The gearing and the rating is expected to improve due to :</p> <ul style="list-style-type: none"> a) The company is proposing an equity issuance by way a Rights Offering of Rs. 551 crores b) Sale of non core assets such as realty, etc. c) The full impact of the expansions would be received by FY 2014. This would result in higher sales, accruals consequently addition to the net worth and reduction of debt
Low Asset Turnover and Low ROCE	Capital intensity of cotton based integrated business and full benefits of Capex is yet to accrue	<ul style="list-style-type: none"> a) The Company is working on improving its overall asset turnover by focusing on more value added products in both cotton and polyester business. b) Cater to increase in market demand by outsourcing of capacities.
High Capital Expenditure and Free Cash Flow	To create global sized scale with backward & forward integration. Investment in non-core	<ul style="list-style-type: none"> a) The major capex for the company is over in March 2013. The company would be consolidating its position to maximise return from these Fixed Assets. b) Alok is committed to be a free cash flow entity from FY 2014 onwards.
Investments in non core areas	The company invested in real estate to capitalise on rising real estate and acquired overseas retail business to penetrate in overseas market	<ul style="list-style-type: none"> a) The Company has decided to exit all non core areas and has made significant progress in it. b) Transaction of about Rs. 1021 crores have been entered in its commercial real estate properties, Peninsula Business Park and Ashford Centre. c) Strategy is been formulated for overseas retail venture and domestic cash & carry.

Corporate Social Responsibility (CSR)

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CSR is an integral part of Alok - some of the CSR initiatives includes:

- Alok started a public school with CBSE Board in Silvassa
- Employment to tribal women on weaving looms and garment/made up stitching machines after intensive training and orientation
- Private Public Partnership with Silvassa Administration for converting the Government owned Industrial Training Institute into a centre of excellence
- Proposal to set up a 50 bed hospital at Silvassa with a portion set aside for charitable purpose
- Best in class ETP system for primary, secondary and tertiary treatment of effluents. Reverse Osmosis plant to optimize water conservation
- “Green Zones” around all facilities and planting of saplings to conserve ecological balance
- Plants certified for ISO 9001, ISO 14001, SA 8000 and OHSAS 18001



ALOK PUBLIC SCHOOL



Strategy Going Forward

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■ Consolidation

- The company to focus on maximising returns in next few years with main focus on effective utilisation of capacities and cost control
- Exit non-core businesses of real estate and retail
- Equity Infusion of Rs. 551 crores by Rights Issue

■ Improving Asset Turnover and ROCE

- Strategy to improve asset turnover of overall business by increasing the volume of value added products like on cotton side: yarn dyed (structured) fabrics, technical textiles and Institutional work wear segments and on polyester: by focussing on value added products like dyed yarn, cationic yarn, PSF, Technical textiles.
- New Capex in areas where minimum ROCE is 20%+

■ Generation of Free Cash Flow and improvement in Debt / Equity

- Future capex to be limited to Rs. 600 crores per annum and better management of working capital would lead to generation of Free Cash flow
- Realization from sale of non core assets, equity infusion and generation of free cash flow would lead to improvement in the debt: equity ratio of the company

Plant Gallery



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Partially Oriented Yarn (POY) - Silvassa

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Texturising - Silvassa

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Weaving - Silvassa

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Airjet Weaving Machines - Silvassa

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Knitting - Silvassa

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Embroidery - Silvassa

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Processing - Vapi

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Terry Towel (Jacquard Looms) - Vapi

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Apparel Width Processing - Vapi

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Knit Processing - Vapi

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Made-ups - Vapi

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Infrastructure

In house Fire Fighting - Silvassa

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Infrastructure

Housing Colony - Silvassa

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Subsidiary Photo Gallery

Domestic Cash & Carry- H&A

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Overseas Retail - Store Twenty One, UK

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Manufacturing Plant - Mileta International, Czech Republic



Specialized in manufacturing of premium yarn dyed fabric

**Peninsula Business
Park, Lower Parel**



Ashford Centre, Lower Parel



Ashford Royale, Nahur





Product Gallery

Cotton & Polyester Yarn

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Apparel Fabrics - Woven

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Apparel Fabrics - Knits

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Apparel Fabrics - Embroidery

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Embroidery with Apparel Fabric & Made Up

Technical Textiles

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Home Textiles - Sheet Sets, Quilts, Comforters, Blankets, Bed in a bag, Towels

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Home Textiles - Sheet Sets, Quilts, Comforters, Blankets, Bed in a bag, Towels

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Garments

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