

ALOK INDUSTRIES LIMITED

Peninsula Towers, Peninsula Corporate Park, G. K. Marg, Lower Parel, Mumbai - 400 013.
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ALOK

INDUSTRIES LIMITED
INTEGRATED TEXTILE SOLUTIONS

June 8, 2012

To,

The Division of Corporate Restructuring
The Securities and Exchange Board of India
1st Floor, Mittal Court, B Wing
Nariman Point
Mumbai 400 001

Dear Sirs,

Re: Request for Informal Guidance under the Securities and Exchange Board of India (Informal Guidance) Scheme, 2003.

- 1) We, Alok Industries Limited (hereinafter referred to as "Alok"), are addressing this request letter under the Securities and Exchange Board of India (Informal Guidance) Scheme, 2003 for an interpretive letter confirming our interpretation of certain provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as "Takeover Regulations").

Background of Alok

- 2) Alok was incorporated on March 12, 1986 under the Companies Act, 1956 and its registered office is currently located at Survey No. 17/5/1 and 521/1, Village Rakholi and Saily, Silvassa - 396230, Union Territory of Dadra and Nagar Haveli and corporate office at Peninsula Towers, "A" Wing, Peninsula Corporate Park, G. K. Marg, Lower Parel, Mumbai - 400 0013. Alok is one of India's leading integrated textile manufacturers, with more than two decades of involvement in the textile industry. The equity shares of Alok are listed on Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.
- 3) The paid-up equity share capital of Alok as on date aggregates to 826,269,357 equity shares of Rs.10/- each.
- 4) The Promoters / Promoter Group of Alok have acquired 12,500,000 equity shares from the secondary market since April 1, 2012, amounting to 1.51% of the current equity share capital. Thus, as on date, the Promoters / Promoter Group holding aggregates to 275,116,518 equity shares, which is approximately 33.30% of the total paid-up equity share capital.

Proposed Transaction

- 5) Alok is currently proposing a qualified institutions placement ("QIP") for an amount aggregating up to INR 750 crores, which assuming a price of Rs.18 per equity share would entail an issuance of 416,666,666 equity shares.
- 6) As a result, pursuant to the QIP, the paid-up equity share capital of Alok would increase to 1,242,936,023 equity shares.
- 7) However, as a consequence of the QIP, the Promoters/ Promoter Group holding (which aggregates to 275,116,518 equity shares), would decrease from 33.30% to 22.13% of the total paid-up equity share capital.

Regd. Off.: 17/5/1, 521/1, Village Rakholi / Saily, Silvassa, Union Territory of Dadra and Nagar Haveli - 396 230.

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- 8) With an objective to prevent this dilution of the Promoters / Promoter Group shareholding, Alok is currently considering a simultaneous preferential allotment to its Promoters / Promoter Group in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. The preferential allotment would be undertaken at the same meeting as the allotment of equity shares pursuant to the QIP after which the equity share capital of the Company would aggregate to 1,320,436,023 equity shares of Rs.10/- each.
- 9) The preferential allotment to the Promoters/ Promoter Group would be to the extent permitted under Regulation 3(2) of the Takeover Regulations.

Guidance sought

- 10) In the light of the aforesaid submissions, we seek your guidance on whether:

- a) the acquisition of 12,500,000 equity shares, undertaken by the Promoters/ Promoter Group within this financial year, amounting to 1.51% of the current equity share capital, would comprise 1.51% of the 5% limit available under Regulation 3(2) of the Takeover Regulations and whether the balance of the creeping acquisition limit, *i.e.* 3.49%, can be acquired under Regulation 3(2) of the Takeover Regulations on the basis of the enhanced equity share capital *i.e.* assuming full subscription to the QIP and the proposed preferential allotment.

OR

- b) the creeping acquisition limit of 5% of the paid-up equity share capital, that can be acquired by the Promoters/ Promoter Group under Regulation 3(2) of the Takeover Regulations, is to be computed on the basis of the enhanced equity share capital of Alok at the end of the financial year, *i.e.* 1,320,436,023 equity shares of Rs.10 each as of March 31, 2013 (assuming full subscription to the QIP and the proposed preferential allotment), and would include all acquisitions undertaken by the Promoters/ Promoter Group within the financial year.

- 11) We are also attaching our pay order bearing number 904685 dated 07.06.2012 for Rs.25,000/- (Rupees Twenty Five Thousand only) drawn on The Karur Vysya Bank Limited, Fort, Mumbai - 400 013. We request you to keep this application confidential and look forward to receiving a reply from you in this regard.

A prompt reply would be highly appreciated.

Kindly let us know if you require any clarifications or additional documentation to facilitate a response.

Yours sincerely,
For Alok Industries Limited


K. H. Gopal
President (Corporate Affairs) &
Secretary

Encl: a/a.