

™ INNOVATIVE TEXTILE SOLUTIONS



# **CONTENTS**

- 4. STRATEGIC THINKERS
  - 49 Profile of Board Directors

#### 1. A STRONG FOUNDATION

- 02 Alok Industries At A Glance
- 03 Our Philosophy (Vision, Mission & Values)
- **04** General Information
- 06 Our Journey So Far (Milestones)

# 5. TEN YEARS' REVIEW 52 Financial Highlights 54 Key Ratios 56 Key Indicators

#### 2. BEYOND CONSOLIDATION

- 10 Theme Note
- 12 Greater Competency
- 14 Global Opportunities
- 16 Free Cash Flows
- 18 Value Additions and Innovations
- 20 Promise of Sustainability
- 22 People Focus

#### 6. STATUTORY SECTION

- 58 Notice
- 66 Directors' Report
- 80 Management Discussion & Analysis
- 116 Corporate Governance Report & Annexure
- 128 Shareholders' Information
- 135 Certifications
- **138 Business Responsibility Report**
- 146 Auditors' Report & Annexure

#### 3. VIEWS & PERSPECTIVES

- 24 Chairman's Communiqué
- 28 From the desk of the Managing Director
- 30 Message from the Jt. Managing Director
- 32 A new insight from the Young Leaders
- 33 Leaders Speak

#### 7. FINANCIAL SECTION

- 150 Balance Sheet
- 151 Profit and Loss Account
- 152 Cash Flow Statements
- 154 Notes to Financial Statements
- 195 Consolidated Financial Highlights
- 196 Consolidated Financial Statements
- 247 Proxy

## A STRONG FOUNDATION

For over 25 years, we have lived and breathed textiles.

Our concerted, continuing focus on building and consolidating our competitive strengths in our core business domain has made us arguably India's largest vertically integrated textile company.

Today, as we move onwards into the next phase of growth, we are looking Beyond Consolidation.



Having divested a major portion of our interests in realty and with a strategy in place to exit retail, we are now focussed on the textiles business in a very targeted manner. By doing so, we are addressing the challenges that will deleverage our balance sheet, enabling us to focus our capital and energies on the opportunities unfolding in the textile business globally. We are now ready to write the next chapter of growth at Alok. Beyond Consolidation.

# **Alok Industries at a Glance**

Alok Industries is possibly the largest vertically integrated textile company in India, having significant global scale manufacturing facilities across the cotton and polyester value chains. Our integrated manufacturing process gives us immense competitive advantage when it comes to controlling both cost as well as quality of the products we market. Our competitive pricing, customer-friendly service and ability to turn around large volumes within record time makes us a partner of choice for blue chip international customers comprising world renowned retailers, as well as importers and brands. Our focus on R&D has enabled us to expand into value-added segments and offer Innovative Textile Solutions.

# Five core divisions



Cotton Yarn



Apparel Fabric



Home Textiles



Garments



Polyester Yarn



29,000 + **Employees** 



US, Europe, Latin America, Asia & Africa



**Exports** 





# **Our Philosophy**

## **Our Vision**

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

The barometer of our success would be the ROCE

# **Our Values**

- Customer Satisfaction
- Passionate About Excellence
- Develop Human Capital
- Fair To All
- Concern For The Environment And The Community
- Safety And Health
- Responsible Corporate Citizen

# **Our Mission**

#### We will:

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

# **General Information**

#### **Bankers**

- Allahabad Bank
- Andhra Bank
- Axis Bank Limited
- Bank of Baroda
- Bank of India
- Bank of Maharashtra
- O Canara Bank
- Central Bank of India
- Corporation Bank
- DBS Bank Limited
- O Dena Bank
- O Export Import Bank of India
- Indian Bank
- IDBI Bank Limited
- Indian Overseas Bank
- ING Vysya Bank Limited
- Oriental Bank Of Commerce
- O Punjab National Bank
- Standard Chartered Bank
- O State Bank of Bikaner & Jaipur
- State Bank of Hyderabad
- State Bank of India
- State Bank of Mysore
- State Bank of Patiala
- State Bank of Travancore
- Syndicate Bank
- The Jammu & Kashmir Bank Limited
- O The Federal Bank Limited
- O The Karur Vysya Bank Limited
- UCO Bank
- United Bank Of India
- Union Bank Of India
- Vijaya Bank

#### **Statutory Auditors**

Deloitte Haskins & Sells LLP Chartered Accountants

#### **Internal Auditors**

Bhandarkar & Co. Chartered Accountants

Devdhar Joglekar & Srinivasan Chartered Accountants

N.T. Jain & Co., Chartered Accountants

Shah Gupta & Co. Chartered Accountants

T.R. Chadha & Co. Chartered Accountants

#### **Legal Advisors & Solicitors**

Desai Desai Carimjee & Mulla

# **Executive Director & Chief Financial Officer**

Sunil O. Khandelwal

# Executive Director & Secretary

K. H. Gopal

# Demat ISIN Number in NSDL & CSDL

Equity Shares - INE 270A01011

#### **Website Address**

www.alokind.com

#### **E-mail Address**

info@alokind.com

#### **Registered Office**

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

#### **Corporate Office**

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

# Marketing Offices DOMESTIC

#### Delhi

F-2/9, 1st Floor, Okhla Industrial Estate Phase I New Delhi - 110 020

#### Bengaluru

8-3/1, Pentaford Tower, Langford Town, Shanti Nagar, Langford Road Bengaluru - 560 025

#### Chennai

156, First Floor, Doshi Towers Poonamallee High Road, Kilpauk, Chennai - 600 010

#### **OVERSEAS**

#### Sri Lanka

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

#### Bangladesh

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

#### China

Room No 701, Youngong Communication Plaza, East Wing Building, Zheijiang, China



#### Dubai

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

#### **USA**

- 7 West, 34th Street, Suite # 607, New York NY- 10001
- 2) 123 Oaklawn Avenue, DALLAS, TX 75207

#### **Czech Republic**

Husova 734, 508 01 Horice Czech Republic

#### **British Virgin Islands**

Pasea Estate, Road Town, Tortola British Virgin Islands

#### **Store Twenty One**

Unit 1, Plot C1 Central Boulevard, Blythe Valley Business Park Solihull - B90 8AH, UK

#### **Listing & Code**

BSE Limited (521070)

National Stock Exchange of India
Limited (ALOKTEXT EQ)

#### Registrar & Share Transfer Agent

Link Intime India Private Limited C-13 Pannalal Silk Mill Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078

#### **WORKS**

#### **Spinning**

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

#### Weaving

- a) 17/5/1 & 521/1, Rakholi / Saily, Silvassa, Union Territory of Dadra & Nagar Haveli.
- b) 209/1 & 209/4, Dadra,U. T. of Dadra and Nagar Haveli.
- c) Babla Compound, Kalyan Road, Bhiwandi - Dist. Thane

#### **Processing**

- a) 254, 261, 268, Balitha, Taluka Pardi, Dist. Valsad, Gujarat
- b) C-16/2, Village Pawane, TTC Industrial Area, MIDC, Navi Mumbai Dist. Thane.

#### **Knitting**

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

#### Hemming

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

#### Polyester Yarn

17/5/1, 521/1, Rakholi / Saily and 409/1 Saily Silvassa, Union Territory of Dadra & Nagar Haveli

#### **Garments**

- a) 374/2/2, Saily,
   Silvassa Khanvel Road,
   Union Territory of Dadra &
   Nagar Haveli.
- b) 17/5/2, Rakholi, Silvassa, Union Territory of Dadra & Nagar Haveli

- c) 273/1/1,
   Hingraj Industrial Estate,
   Atiawad, Daman, Union Territory
- d) 50/P2, 52/P1, Morai, Taluka Pardi, Dist. Valsad, Gujarat

#### **Packaging**

87/1 and 96/1 Village Falandi, Silvassa Union Territory of Dadra & Nagar Haveli.

#### Home Textiles Bed Linen

- a) 374/2/2, Saily, Silvassa
   Union Territory of Dadra &
   Nagar Haveli
- b) 149/150, Morai Taluka, Pardi, Dist. Valsad, Gujarat

#### **Terry Towel**

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

# **Our Journey So Far**

# 1995

Incorporation of your Company

1986

 Collaboration with Grabal, Albert Grabher Gesellshaft mbH & Co. of Austria for manufacturing of embroidery products, through joint venture company, Grabal Alok Impex Ltd.

# 1997

 Rights Issue of equity shares aggregating to ₹ 14.98 crores

# 2000

- Turnover exceeds
   ₹ 300 crores,
   including exports
   of ₹ 9 crores
- New Alok Logo launched

# **1993**

Initial Public Offer of₹ 4.50 crores

# 1996

 Annual sales of ₹ 100 crores

# 1998

 Private placement of equity shares of ₹ 16 crores to Century Direct Fund (Mauritius)





# **- 2002**

- Rights issue of FCDs of₹ 51 crores
- Turnover exceeds₹ 550 crores

# **- 2004**

- Turnover crosses ₹ 1,000 crores.
   Exports exceed ₹ 100 crores
- Commenced Phase I & II of expansion programme (Spinning, Weaving, Processing & Garmenting) aggregating to
   ₹ 1,175 crores under TUFs

# **- 2006**

 FCCB issue of USD 70 million

# 2001

 Expansion initiated under Technology Upgradation Fund Scheme (TUFs) for weaving and processing capacities with investment of ₹ 225 crores

# 2003

- Awarded status of 'Export Trading House'
- Foray into Home Textile segment (bed linen)

# 2005

 FCCB issue of USD 35 million



# **Our Journey So Far**

# + 2008

- Initiated Phase IV expansion of ₹ 1,180 crores under TUFs
- Raised ECB of USD 90 million
- Acquired stake in UK retail "Store Twenty One"

## **2010**

- Turnover touches
   ₹ 4,300 crores, Exports
   crosses ₹ 1,500 crores
- Qualified Institutional Placement of Equity shares of ₹ 425 crores
- Added Terry Towels to its product range

## 2007

- 9001:2000 certification obtained
- Turnover reaches ₹ 1,800 crores,
   Exports at ₹ 640 crores
- Domestic retail brand 'H&A' launched
- Embarked on expansion of ₹ 1,100 crores under Phase III under TUFs
- 60% stake acquired in "Mileta International", integrated textile unit at Czech Republic
- Contracted to acquire commercial property at Lower Parel admeasuring 6,14,999 sq. ft. in real estate subsidiary Alok Infrastructure Limited

## 2009

- Rights issue of Equity shares of
   ₹ 450 crores
- Completed integration of Polyester by commissioning
- Continuous
   Polymerisation
   capacity of 600 tpd

## 2011

- 25 years of corporate journey completed
- Turnover crosses ₹ 6,300 crores, Exports reach
   ₹ 2,200 crores
- Awarded the IMC Ramakrishna Bajaj National Quality (RBNQ) Performance Excellence Trophy in the Manufacturing Category
- Expansion of Polyester production from 600 tons/ day to 900 tons/day commenced
- Awarded status of 'Recognised Star Trading House'