

# 30<sup>TH</sup> ANNUAL REPORT

## 2016 - 17



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# ALOK INDUSTRIES AT A GLANCE

## Complete Textile Solutions



Global Scale



Innovation



Quality



Competitive Cost



Delivery Efficiency

We are amongst India’s largest fully integrated textile company with a dominant presence in the cotton and polyester value chain. We are well supported by sound infrastructure, in-house Research & Development, design capability, environmental compliance and motivated work force.

### Alok’s USP

- We have focused on world-class infrastructure, best-in-class technology, uncompromising quality standards and dynamic product innovation.
- Our competitive pricing, customer-first approach and our ability to handle large quantities in record timelines has earned us the position of trust in the eyes of the global retailers, importers and brands
- Our focus on value addition and our emphasis on R&D has enabled us to offer innovative textile solutions at a scale that is truly global

### Alok offers solutions across:

- Cotton Yarn
- Apparel Fabric
- Home Textiles
- Garments
- Polyester Yarn

**4** MANUFACTURING LOCATIONS

4 manufacturing locations in India in Silvassa, Vapi, Navi Mumbai and Bhiwandi

**18,000** EMPLOYEES

Close to 18,000 employees

EXPORTING TO **90** COUNTRIES

Exporting to over 90 countries across USA, Europe, Latin America, Asia and Africa

## 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 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 and products
- Offer innovative, customized and value-added services to our customers
- Be an ethical, transparent and responsible global organisation

## 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

# GENERAL INFORMATION

## Working Capital Lenders

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Allahabad Bank	Dena Bank	Oriental Bank Of Commerce
Andhra Bank	EXIM Bank	Punjab National bank
Axis bank	IDBI Bank	Syndicate Bank
Bank Of Baroda	IFCI Limited	State Bank of India
Bank Of India	Indian Bank	The Karur Vysya Bank
Bank of Maharashtra	Indian Overseas Bank	UCO Bank
Canara Bank	Jammu and Kashmir Bank	Union Bank Of India
Central Bank Of India	Kotak Mahindra	United Bank Of India
Corporation Bank	LIC	Vijaya Bank

## Other Lenders

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Asset Care & Reconstruction Enterprise	Saraswat Co-operative BankLtd	Industrial and Commercial Bank of China Ltd, Singapore
Bank of Bahrain And Kuwait	SICOM Limited	PT. Bank Negara Indonesia Tbk, Singapore
Barclays Bank	SIDBI	Raiffeisen Bank, Singapore
Chhattisgarh State Electricity Board	The New India Co-op bank	Noor Bank PJSC
DNS Bank	State Bank of Mauritius Ltd.	Commercial Bank International PSC
FMO	Canara Bank - London	United Arab Bank
Industrial and Commercial Bank of China	VTB Capital Plc	Warba Bank KSC
LBBW	Afrasia bank Ltd.	
Nord LB	Bank Sinopac	
Phoenix ARC Private Limited	Chang Hwa Commercial Bank Ltd.	
	E Sun Commercial Bank Ltd, Singapore	

## Statutory Auditors

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Shah Gupta & Co.  
Chartered Accountants  
NBS & Co.  
Chartered Accountants

## Internal Auditors

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Bhandarkar & Co.  
Chartered Accountants  
Devdhar Joglekar & Srinivasan  
Chartered Accountants  
HPVS & Associates  
Chartered Accountants

## Legal Advisors & Solicitors

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Oasis Counsel & Advisory  
  
Chief Financial Officer  
Sunil O. Khandelwal  
Company 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:

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

## Corporate Office

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

## Marketing Offices

### DOMESTIC

#### **Delhi**

Unit No.224-227,2nd Flr, DLF Tower  
15, Shivaji Marg, New Delhi - 110 015  
Tel. 011-4184 0000

#### **Bengaluru**

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

### INTERNATIONAL

#### **Sri Lanka**

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

#### **Bangladesh**

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

#### **Dubai**

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

#### **USA**

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

#### **United Kingdom**

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

## Works

### **Spinning**

412 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, Dadra, Union Territory  
of Dadra and Nagar Haveli
- c) Babla Compound, Kalyan  
Road, Bhiwandi - Dist. Thane

### **Processing**

- a) 254, 261 / P1 Balitha, Taluka  
Vapi, 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

### **Embroidery**

- a) A/317, TTC Industrial Area, MIDC,  
Mahape, Navi Mumbai.
- b) 249/1, Vasona, Silvassa  
Khanvel Road, Sivassa, Union  
Territory of Dadra & Nagar Haveli.

### **Polyester Yarn**

#### **(Poy & Texturising 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) 17/5/1, Rakholi, Silvassa, Union  
Territory of Dadra & Nagar Haveli
- c) 148/149, Village: Morai, Taluka:  
Vapi, Dist: Valsad, Gujarat
- d) 50/P2, 52/P1, Morai, Taluka Pardi,  
Dist. Valsad, Gujarat

### **Home Textiles**

#### **I) Bed Linen**

- a) 374/2/2, Saily, Silvassa Union  
Territory of Dadra & Nagar Haveli
- b) 149/1 50, Morai Taluka, Pardi, Dist.  
Valsad, Gujarat

### **II) Terry Towel**

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

## Listing & Code

BSE Limited (521070)

National Stock Exchange of India  
Limited (ALOKTEXT EQ)

## Registrar & Share Transfer Agent

Link Intime India Private Limited  
C 101, 247 Park, LBS Marg,  
Vikhroli (West) Mumbai-400083,  
India.

Tel: +91 022 49186000,

Fax: +91 022 49186060



# CHAIRMAN'S MESSAGE TO THE MEMBERS



I would like to thank you all for your continuous support and trust in Alok Industries. Despite the challenges faced by the company in the last few years, we remain optimistic for a resolution that

will help us rebuild and regain our position in the industry. In terms of capacity and potential, we continue to be India's largest fully integrated textile company with a dominant presence in the cotton and polyester value chain. We continue to be driven by best global practices and a vision for bringing about a positive change. Our state-of-the-art manufacturing facilities built over the years continues to give us strength and confidence in our ability to fulfill customer demand at all times. Our major challenge remains the current debt situation and the corresponding working capital crunch, which has further affected the utilization levels of all the divisions and overall performance of the company.

In terms of the external market scenario, FY 2016-17 saw a slow pickup in the world economy with growth projected at 3.4% up from 3.1% in the previous year. Corresponding growth in emerging market and developing economies reached 4.3% from 4% in the previous year. India emerged as one of the fastest growing major economy at 7.1% GDP growth in 2016-17 despite a temporary slowdown due to demonetization. For the textile industry, one of the concerning factor is recent policies implemented by China regarding import of yarn & cotton which has brought the industry on back foot. China has recently reduced import of cotton & yarn which has been primary market for Indian textile spinning companies and these recent

restrictions are hurting the industry growth. Raw material for polyester became expensive due to levying of anti-dumping duty by the government and hence raised the manufacturing cost. Shortage of raw material due to regular breakdowns in the plants producing PTA also resulted in lower capacity utilization.

Major reforms like demonetization had short-term impact in the form of slow growth but holds the potential for long-term benefits in the form of reduced corruption, greater digitalization of the economy, increased flows of financial savings, better tax compliance and greater tax revenues all of which could eventually lead to higher GDP growth.

GST is another important landmark in the Indian economy. It will create a common Indian market, improve tax compliance and governance, and boost investment and growth. GST will catalyze in making the unorganized segment of the textile value chain more organized and will bring them under the GST ambit to avail input tax credit. This will help in streamlining the Indian textile value chain. However, the recently released rates for textile industry still didn't answer to the Industry's long said demand of duty neutrality at fiber and yarn level.

The special package for the textile and apparel sector released by the Union Government last year is a strategic decision that would strengthen the Indian textile and apparel sector by improving its cost competitiveness in the global market. Over the medium run, the implementation of the Goods and Services Tax (GST), follow-up to demonetization, effective implementation of the special package and enacting other structural reforms is expected to take the economy towards its true potential and make business environment more conducive for the industry.

As mentioned earlier, the overall performance of Alok industries in recent past has been impacted by low plant utilization levels due to unavailability of required working capital. However, once working capital requirement is addressed all the business divisions of Alok are capable of running on self-sustaining basis and there are good opportunities for each division to grow. In the polyester division, Alok has developed a very good reputation for quality and developed a good brand name (Alok) for its polyester yarn in the domestic and export market. The Company has developed strong network of agents and distributors for marketing of its products both in the domestic and export markets. Alok has a well-established Home Textiles division. Its large scale and integrated operations, high product quality, competitive pricing and timely delivery schedules has enabled it to add in its portfolio of customers large reputed global retailers, and importers over the years. The apparel fabric segment company is the largest revenue generator for the company. Alok has been expanding its apparel fabric capacities i.e. weaving, knitting and processing from time to time and has emerged as the largest supplier of Apparel fabrics. Alok is also offering more value added products than before and its consumer

base includes globally renowned brands. Overall Alok's position in terms of its operational capabilities are good technically and sustainable for each of the divisions and capable of growing once the debt resolution is achieved.

I would like to take this opportunity to thank all our stakeholders - our financiers, our shareholders, our employees, our customers, our vendors and our well-wishers across the country and the globe for their tremendous dedication, commitment and contribution towards strengthening Alok over the years. We are continuously working forward to fulfill our mission of generating maximum value for our stakeholders. I also wish to express my gratitude to fellow Board members for their guidance and direction; and our shareholders for placing their faith in us. I urge you all to continue to repose faith in us as we strive to resolve current issues and turn the corner for a brighter future.

Yours Sincerely

**S.K. Bhoan**  
**Chairman**



# BOARD OF DIRECTORS OF ALOK INDUSTRIES LIMITED



## **Surinder Kumar Bhoan | Chairman**

Mr. Surinder Kumar Bhoan (68) is Chairman (Independent) of the Company since 31st March, 2015. He has done B. Tech from TITS, Bhiwani in Haryana. He has over 46 years of experience in various fields like Research Institutions, Renewable Energy, Investment Banking, Development Banking and Textile Industry. He retired as General Manager from IFCI Ltd. He has served as Director on the board of several companies.

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## **Ashok B. Jiwrajka | Executive Director**

Mr. Ashok B. Jiwrajka (66) is the Executive Director of the Company. Mr. Jiwrajka completed his schooling and College from Mumbai. After a brief stint with two leading textile companies, he joined the family partnership firm and went on to co-promote Alok Industries Limited in 1986 with his two brothers. Mr. Jiwrajka has rich experience of over three decades in textiles. He is a member of the core management committee which takes key decisions about the Company.

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## **Dilip B. Jiwrajka | Managing Director**

Mr. Dilip B. Jiwrajka (60) is the Managing Director of the Company. Mr. Jiwrajka did his schooling and college from Mumbai and subsequently his post-graduation in Business Entrepreneurship and Management. In the early 80s, he started the business of trading in textiles mainly for the readymade garment sector. Starting with a partnership firm, he gradually co-promoted Alok Industries Limited in 1986 along with his two brothers. He has rich experience of over three decades in textiles. He is also a member of the core management committee which takes key decisions about the Company.

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## **Surendra B. Jiwrajka | Joint Managing Director**

Mr. Surendra B. Jiwrajka (57) is the Joint Managing Director of the Company. Mr. Jiwrajka's schooling and college were completed in Mumbai. Immediately after his graduation he joined the family partnership firm for trading in yarn and thereafter co-founded Alok Industries Limited in 1986 with his two brothers. Mr. Jiwrajka brings with him an invaluable experience of over three decades in textiles. He is a member of the core management committee which takes key decisions about the Company.



### **Suneet Shukla | Nominee Director**

Mr. Suneet Shukla (48) is a Nominee Directors of IFCI Ltd from 15th May, 2017. He is a graduate in Chemical Technology from HBTI, Kanpur, a CAIIB from Indian Institute of Banking and Finance (IIBF) and has done MBA (Banking and Finance) from IGNOU/IIBF. He has worked in man-made fibre industry for 9 years before joining IFCI Limited (IFCI) in April 2000. At IFCI he gained vast experience in all the dimensions of project/debt financing, structured financing and equity/equity related structures. He has also worked as Managing Director of IFCI Financial Services Ltd. (IFIN), a subsidiary of IFCI Limited, as also Managing Director of two step-down subsidiaries of IFIN viz. IFIN Securities Finance Limited and IFIN Commodities Limited.



### **Atanu Sen | Nominee Director**

Mr. Atanu Sen (63) is a nominee director of State Bank of India since 24.09.2015. He has done M.A in Economics from Calcutta University and CAIIB. He has over 3 decades of experience in banking and life insurance. He was Dy. Managing Director and Chief Credit & Risk Officer with SBI. He retired as Managing Director & CEO of SBI Life Insurance Company Ltd. He is serving as Independent Director in several Companies.



### **Pradeep Kumar Rath | Nominee Director**

Mr. Pradeep Kumar Rath (61) is a nominee director of LIC of India from 14.10.2015. He is Post Graduate in Humanities. He has over 36 years of experience in Life Insurance, Marketing and Operations, Pension and Group Business, Housing Finance and Insurance Education. He retired as an Executive Director (Audit) of LIC of India.



### **Rajeev Kumar | Nominee Director**

Mr. Rajeev Kumar (55) is a nominee director of IDBI Bank Limited from 28.12.2015. He is B.Tech in Chemicals Technology and MBA in Finance. He has over 26 years of experience in Project Appraisal, Infrastructure Debt Fund, Investment Banking, Securitization and Corporate Relationship. He is presently working as Chief General Manager with IDBI Bank.