

25th ANNUAL REPORT 1996-97



MD			BKC	✓
CS			DPY	✓
RO			DIV	✓
TRA			AC	
AGM		✓	SH	
YE				

ALPS
INDUSTRIES

THE MAKERS OF

Vista
LEVOLOR

ALPS INDUSTRIES LIMITED

(Government Recognised Trading House)

WORKS & OFFICES

WORKS / DIVISIONS

Unit I (Home Furnishings)	B-2, Loni Road Indl. Area, Opp. Mohan Nagar Distt. Ghaziabad, (U.P.)
Unit II (Window Coverings)	A-2, Loni Road Indl. Area, Opp. Mohan Nagar Distt. Ghaziabad, (U.P.)
Unit III (100% EOU) (Composite Textile Mill and Veg Dyes)	57/2, Site-IV, Indl. Area, Sahibabad, (U.P.)
Unit IV (Awnings)	B-160-161, Mettupalaiyan Industrial Estate, Pondicherry - 605 009

CORPORATE OFFICE SHARES & FIXED DEPOSIT CELL

57/2, Site-IV, Indl. Area, Sahibabad, (U.P.)
Ph. : 0575-772565/66/67/68

MARKETING OFFICES

Mumbai	Flat No. 3116-3117, Oberoi Estates, Chandivli Farms Road, Chandivli Mumbai - 400 072. Ph. : 8514744, 8514745. Fax : 91-022-2040121
Bangalore	Ground Floor, Ahuja Chamber, 1, Kumara Krupa Road, Bangalore - 560 001. Ph. : 2258780, 2256974.
Delhi	(I) B-4, D/3, Shopping Centre Alaknanda, New Delhi Ph. : 6446658, 6476640 Fax : 91-11-6428609 (II) 204, Bhatia Complex Alaknanda, New Delhi Ph. : 6446658, 6476640 Fax : 91-11-6428609 (III) 204, Chintpurni House Plot No. - 5, Block D, Local Shopping Centre, Prashant Vihar, New Delhi Ph. : 7863655, 7265516

ALPS INDUSTRIES LIMITED

Notice

Notice is hereby given that the 25th Annual General Meeting of ALPS INDUSTRIES LIMITED, will be held at the Registered Office of the Company at B-2, Loni Road, Indl. Area, Opp. Mohan Nagar, Distt., Ghaziabad, (U.P.) on Monday the 29th day of September, 1997 at 11.30 A.M. to transact the following business :

1. To receive and adopt the Directors' Report and the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March 1997.
2. To declare a dividend.
3. To appoint Director in place of Mr. V.K. Mittal, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Director in place of Mr. Park B Smith who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Director in place of Mr. Rakesh Gupta who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

7. To consider, and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT the consent of the company be and is hereby accorded in terms of Sec.293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 for mortgaging and/or charging by the Board of Directors of the company of all the immovable & movable properties of the Company wheresoever situated, present & future and the whole of the Undertaking of the Company together with the power to takeover management of the Company in certain events to or in favour of Industrial Development Bank of India to secure Rupees Term Loan of Rs. 220.00 lakhs (Rupees Two Hundred Twenty Lakhs Only) and foreign currency loan of US\$ 1805000 equivalent to Rs. 650.00 lakhs (Rupees Six Hundred Fifty Lakhs Only) aggregating to Rs. 870.00 lakhs (Rupees Eight Hundred Seventy Lakhs Only) sanctioned/lent by IDBI to the company together with interest thereon at the respective agreed rates, compound/further/additional interest, liquidated damages, commitment charges, and all other money payable by the company to IDBI under their respective heads of agreement/letter of sanction/memorandum of terms and conditions entered into/to be entered into by the company in respect of the said term loan.

"RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorised to finalise with IDBI, the documents for creating the aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

By the Order of the Board
For ALPS INDUSTRIES LTD.

Place : Ghaziabad
Date : August 2, 1997

AJAY GUPTA
Company Secretary

NOTES

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself, and such proxy need not be the member of the Company. The proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September, 1997 to 26th September 1997. (both days inclusive).
3. Dividend that may be declared by the Company will be paid on or after 29th September, 1997 to those Members whose names appear on the Register of Members of the Company on 26th September, 1997.

Explanatory Statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956

ITEM NO. 7.

To meet a part of cost of the expansion project undertaken by the Company, Industrial Development Bank of India (IDBI) have sanctioned a Term loan of Rs. 870 lakhs to the Company. The financial assistance from the IDBI has to be secured by way of first charge, on pari-passu basis, on the Immovable & Movable properties of the Company, present & future.

As per Sec.293 (1) (a) of the Companies Act, 1956, the Board of Directors of a public company shall not, without the consent of Shareholders in general meeting, sell/lease or otherwise dispose off the whole, or substantially the whole, of the undertaking of the company, or where the company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking.

Since the mortgaging by the company of its Immovable & Movable properties, as aforesaid in favour of IDBI, may be regarded as disposal of the Company's properties / undertaking, it is necessary for the members to pass a resolution under Section 293 (1) (a) of Companies Act, 1956 before creation of the said mortgage / charges. Copy of the letter of Intent No. 835/PFD/V dated 20.02.1997 received from IDBI are open for inspection at the Registered office of the Company between 10.00 A.M. to 5.00 P.M. on any working day till the date of the meeting.

None of the Directors of the Company are interested in the Resolution.

By the Order of the Board
For ALPS INDUSTRIES LTD.

Place : Ghaziabad
Date : August 2, 1997

AJAY GUPTA
Company Secretary

CONFIRMATION OF MANDATE / STATUS

Dated : 03.09.1997

Dear Shareholder,

In order to update our records, you are requested to provide us the information, as per details mentioned below :

Sl. No.	Particulars	Information valid as on Date	Remarks
1.	Residential Status		
2.	Saving / Current / NRE / NRO A/c. No. with Name & Address of the Bankers where Dividend is to be credited		Essential to avoid any delay and fraud in payment of the Dividend
3.	In case of NRI / Foreign Nationals, Names & Address of the POA Holders for the purpose of sending communication		

We shall highly appreciate if the above information is furnished to us by 30th September 1997 at the following address, where all future correspondence relating to Share and Fixed Deposits may henceforth be addressed :

57/2, Site IV, Indl. Area,
Sahibabad, U.P. - 201 010.
Ph. : 0575-772565,66,67,68
Fax : 91-0575-770426, 772509.

Thanking you,

Yours truly,
for **ALPS INDUSTRIES LTD.**

Sd/-
(Ajay Gupta)
Company Secretary

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ALPS INDUSTRIES LIMITED

ALPS INDUSTRIES LIMITED

DIRECTORS

Mr. K. K. Agarwal
Chairman and Managing Director

Mr. Sandeep Agarwal
Managing Director

Mr. V. K. Mittal
Director

Mr. Rajeev Kumar Maheshwari
Director

Mr. Park B. Smith
Director

Mr. Gopi Krishan Arora (Retd. IAS)
Director

Mr. R. M. Sethi (Retd. IAS)
Director

Mr. Rakesh Gupta
Director

Mr. K. B. Agrawal
Alternate Director to Mr. Park B Smith

REGISTERED OFFICE

B - 2, Loni Road Indl. Area Opp Mohan Nagar,
Distt., Ghaziabad, (U.P.)
Ph. : 0575-732633, 732641 Fax : 91-575-732627

BANKERS

State Bank of India

AUDITORS

R K Govil & Co.
Chartered Accountants, Ghaziabad.

SECRETARY

Mr. Ajay Gupta

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 25th Annual Report alongwith Audited Balance Sheet and Profit & Loss Account for the financial year ended 31st March 1997.

Financial Results

	Year Ended 31-3-97	Year Ended 31-3-96
	(Rupees in Lacs)	
Total Income (Including Other Income)	5014.05	3942.12
Profit before Financial Exp., Depreciation & Tax (PBIDT)	885.97	662.88
Profit before Tax and Depreciation (PBDT)	525.57	586.10
Depreciation (net after transfer from Revaluation Reserve)	209.99	40.03
Provision for Tax	5.50	18.00
Profit After Tax	310.08	528.07
Add: Surplus of last year	106.38	48.40
Prior year Adjustment	21.29	29.43
Surplus available for appropriation	437.75	605.90
Appropriations		
General Reserve	106.70	444.86
Proposed Dividend	60.65	54.66
Corporate Dividend Tax	6.07	—
Surplus carried to Balance Sheet	264.33	106.38
Surplus available for appropriation	437.75	605.90

Performance

During the year, Company earned a total income of Rs. 50.14 crores registering an increase of 27% over the previous year. As mentioned in our last report, the EOU project was commissioned in the previous year. However, due to teething problems, capacity utilisation of the project was below expected levels. There has been a marked improvement in the working of this unit and it is expected that in the current year the unit will perform upto the expected levels.

The Company continued to enjoy the confidence of its buyers in the overseas markets, which is evident from increase in exports in the previous year. During the year, Company has also started business with new parties in the international market with whom volume of business is expected to grow further.

Sales of Window Covering Division (Vista) have increased during the current year. As reported in the last report, Company has launched window awnings and garden umbrellas in collaboration with Franciflex Company, France. The unit, located at Pondicherry, has started commercial production and the product, under brand name VISTA FRANCIAPLEX has received encouraging response in the market.

As you would observe from the figures given above, there has been a commensurate increase in profit before interest, depreciation and tax (PBIDT) for the current year. However, during the year, interest and depreciation has increased significantly due to commissioning of EOU project.

Projection V/s Performance

As per the requirements of SEBI and Stock Exchanges, operational results of the Company for the year ended 31st March 1997 vis-à-vis projections, outlined in the prospectus dated 21.03.95 for Public Issue of shares, are as under :

ALPS INDUSTRIES LIMITED

	(Rupees in lacs)	
PARTICULARS	PROJECTIONS	ACTUAL
Total Sales	6029.00	5008.37
Operating Profit	1252.00	880.29
Other Income	18.00	5.68
Lease Rent	79.00	94.47
Financial Expenses	139.00	265.93
Cash Profit	1052.00	525.57
Depreciation	100.00	209.99
P.A.T.	866.00	310.08
Equity Capital (Paid up)	607.00	606.49
Reserves & Surplus	2584.00	2402.26
Net Worth	3191.00	3008.75
Earning per share (Rs.)	14.25	5.11
Book Value (Rs.)	52.54	49.61
Dividend (%)	30.00	10.00
Return on Capital Employed (%)	32.97	17.47
Return on total Assets (%)	19.70	9.26
Gross Profit Margin (%)	20.77	17.58
Net Profit Margin	14.36	6.19

Variations in actual figures from those projected in the prospectus, as given above, are due to reasons explained above. The existing units, however, continued to perform better than the earlier years, as heretofore.

Expansion Plans

In order to balance the capacities of different departments at the EOU, namely, spinning, weaving, dyeing &

fabrication and to achieve optimum value addition, it was decided to increase the weaving capacity by installing additional 43 looms. Majority of the machines have already arrived and are under erection. The project has been financed by Foreign Currency & Rupee Term Loans from IDBI and internal accruals. During the year certain machines have been added in the process house, quality control department etc., to improve the quality of the finished product. These machines have already started showing their positive contribution to the working of the unit.

Research & Development

We are pleased to report that the Company has continued with its research and development into vegetable dyes. The vegetable dyes produced are being used captively and vegetable dyed products are receiving encouraging response from our overseas buyers.

Dividend

Your Directors are pleased to recommend a dividend @ 10% on equity shares for the year ended 31st March, 1997. A provision of Rs 66.72 lakhs, inclusive of corporate dividend tax, has been made in the accounts, on this account.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information as per Section 217 (1)(e), read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed.

Particulars of Employees

Particulars of employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are not being given as there was no employee

whether employed for the whole year or part of the year, drawing remuneration exceeding the limits laid down under Section 217(2A) of the Companies Act, 1956.

Directors

Mr. Rakesh Gupta, Mr. Park B Smith and Mr. V.K. Mittal, Directors, retire by rotation, pursuant to the provisions of Section 255/256 of the Companies Act, 1956, and being eligible offer themselves for reappointment. The Board recommends their reappointment.

Auditors

M/s R.K. Govil & Co., Chartered Accountants, the Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting of the Company and being eligible, have expressed their willingness to continue, if appointed. Your Directors recommend their re-appointment.

Auditors' Observations

Observations in the Auditor's Report are dealt with in notes to accounts at appropriate places and being self-explanatory need no further explanation.

Fixed Deposits

During the year, Company has raised money by way of Fixed Deposits from shareholders and public as per Section 58(A) of the Companies Act, 1956 and necessary

requirements under the Act have been complied with. Information, as required under the Miscellaneous Non-Banking Companies (Reserve Bank) Direction 1977, is annexed.

Acknowledgments

Your Directors take this opportunity to express their appreciation of the continued support provided by Financial Institutions and Banks viz., IDBI, SICOM, PICUP, UPFC and State Bank of India and various other Government agencies. Your Directors also wish to place on record their sincere appreciation for dedicated services rendered by employees at all levels, without whose wholehearted efforts, this satisfactory performance would not have been possible. We also wish to inform you that during the previous year there was no lock out, strike or labour unrest.

On behalf of the Board of Directors

K. K. AGARWAL
Chairman &
Managing Director

Place : Ghaziabad

Date : August 2, 1997