

27th ANNUAL REPORT 1998 - 99

ALPS
INDUSTRIES

THE MAKERS OF

Vista[®]
LEVOLOR

ALPS INDUSTRIES LIMITED

(A Government Recognised Golden Trading House)

WORKS & OFFICES

WORKS/DIVISIONS

UNIT I	B-2, Loni Road Indl. Area, Opp. Mohan Nagar Distt. Ghaziabad (U.P.)-201007
UNIT II	A-2, Loni Road Indl. Area, Opp. Mohan Nagar Distt. Ghaziabad (U.P.)-201007
UNIT III (100% EOU)	57/2, Site IV, Industrial Area, Sahibabad, (U.P.)-201010
Unit IV	B-160-161, Mettupalayam Industrial Estate, Pondicherry-605 009
Unit V	58/1, Site IV, Industrial Area, Sahibabad, (U.P.)-201010

SHARES & FIXED DEPOSIT CELL

57/2, Site IV, Industrial Area,
Sahibabad, (U.P.)-201010

MARKETING OFFICES

Mumbai	Flat No. 3116/3117, Oberoi Estates, Chandivli Farms Road, Chandivli, Mumbai-400 072 Ph. : 8514745-6, 8522111, 8522117 Fax : 91-022-8514744
Bangalore	Ground Floor, Ahuja Chamber, 1, Kumara Krupa Road, Bangalore-560 001 Ph. : 080-2256974, 2258780
Delhi	B-4, D/3 Shopping Centre, Alaknanda, New Delhi-110 019 Ph. : 6221207, (Six Lines) Fax : 91-11-6428609
Chandigarh	SCO 012, 13, Sector-9D, Madhya Marg, Chandigarh-160 009 Ph. : 0172-741303, 742235 Fax : 0172-742758
Pune	Chetal Estate, 4th Floor, Krishna House Kanchan Gali, 57/1B, Law College Road, Pune-411 004 Ph. : 0212-366325, 365679 Fax : 0212-333457

Certified True Copy
For Alps Industries Ltd.

May Ann
Company Secretary

CONTENTS

Board of Directors	2
Directors' Report	3
Auditors' Report	6
Balance Sheet	8
Profit & Loss Account	9
Schedules to Statements of Accounts	10
Cash Flow Statement	19
Balance Sheet Abstract and Company's General Business Profile	20
Annexure to the Directors' Report and Names & Address of Stock Exchanges	21



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. Park B. Smith
Director

Mr. Gopi Krishan Arora (Retd. IAS)
Director

Ms. Monika S. Garg (IAS)
Director (Nominee - UPFC)

Mr. Rakesh Gupta
Director

Mr. J.P. Kundra
Director

Dr. M.L. Gulrajani
Director

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

Mr. M.T. Chiddarwar
Director (Nominee - SICOM Ltd.)

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 (U.P.)

SECRETARY

Mr. Ajay Gupta

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 27th Annual Report along with Audited Balance Sheet and Profit & Loss Account for the financial year ended on 31st March 1999.

FINANCIAL RESULTS

	Year Ended 31.03.99	Year Ended 31.03.98
	(Rupees in Lac)	
Total Income (Including Other Income)	7613.81	6154.18
Profit before Financial Exp., Depreciation & Tax (PBITD)	1440.19	1193.96
Profit before Depreciation and Tax (PBDT)	771.83	620.17
Depreciation (net after transfer from Revaluation Reserve)	323.73	274.65
Provision for Tax	0.50	25.00
Profit After Tax	447.60	320.52
Prior year Adjustment	23.88	(4.16)
Add : Surplus of last year	213.98	264.33
Surplus available for appropriation	685.46	580.69
Appropriations		
General Reserve	400.00	300.00
Proposed Dividend	60.66	60.65
Corporate Dividend Tax	6.67	6.06
Surplus carried to Balance Sheet	218.13	213.98
	685.46	580.69

PERFORMANCE

Your company has successfully completed another year of consistent growth both in domestic and export market despite the economic recession prevailing worldwide during the previous year.

The total income for the financial year ended 31st March, 1999 has increased to Rs. 76.14 crores

from Rs. 61.54 crores in the previous year, reflecting a growth of about 23.72%. The Profit Before Tax increased by 29.69% over the previous year. The earning per share has increased to Rs. 7.37, up from Rs. 5.28 in the preceding year.

Your company has been granted the status of Golden Trading House by the Directorate General of Foreign Trade, under Ministry of Commerce, Government of India, during the year for recognition of the company's long standing contribution to exports under the Exim policy 1997-2002. Due to this, company will also become eligible for additional import benefits.

Company has introduced wide range of home furnishing products by using Naturally Grown Coloured Cotton and this has created significant demand of its products in overseas markets. These products, which have significantly higher value addition, have been well received by our buyers. The continued focus is on areas of core competence with special emphasis on export markets.

The performance of Window Covering Division under the brand name of VISTA LEVOLOR has improved with better customer service and innovation in the existing products. The company has further strengthened its distribution network and incorporated several new products in its range.

During the year, company has launched a product range of co-ordinated furnishing fabrics and bed linen under the Brand name "VISTA HOME FASHION" leveraging existing brand equity and distribution network of the company.

PROJECTIONS V/S PERFORMANCE

As per the requirements of SEBI and Stock Exchanges, operational results of the company for the year ended 31st March, 1999 vis-a-vis projections under cash/fund flow statement outlined in the prospectus dated 21.03.1995 for public issue of shares are as under :

	(Rs. in Lac)	
PARTICULARS	PROJECTIONS	ACTUAL
Sales	6835.89	7601.96
Operating Profit	1479.65	1428.34
Other Income	19.66	11.85

ALPS INDUSTRIES LIMITED

Lease Rent	79.20	86.64
Financial Expenses	118.80	581.72
Cash Profit	1301.31	771.83
Depreciation	99.90	323.73
Taxation	70.13	0.50
P.A.T.	1131.28	447.60
Dividend	50 %	10%

The major variation of Rs. 463 Lac in financial expenses and Rs. 224 Lac in depreciation are on account of additional borrowing from Financial Institutions / Banks to meet capital expenditure incurred on increasing the capacity of Weaving and Made-ups. The benefits for the same will be available to the company in the current financial year and ensuing years.

EXPANSION PLANS

To increase the capacity of Process House, your company has purchased a Dyeing plant for fibre dyeing from Italy in the current financial year. The benefits of this investment will accrue in the year 2000-2001.

In the current financial year, the company has initiated steps to introduce wooden floor coverings and Pashmina shawls using dyes besides numerous other home furnishing accessories. The company is expecting better financial results in the ensuing years.

RESEARCH & DEVELOPMENT

Your company has undertaken the project for production and commercialisation of fully standardised environment friendly Natural Dyes. The progress of the project was quite satisfactory during the year and company was able to standardise a few base colours for introduction in the international and domestic market. A sophisticated laboratory has been set up in collaboration with Technology Information Forecasting & Assessment Council (TIFAC) and Indian Institute of Technology (IIT).

A number of kits have been developed for the students, teachers and designers to familiarise them about the concept for utilisation of Natural Dyes on various products.

ACHIEVEMENTS

It is indeed a great honour for your company that

our Director Mr. Park B. Smith, who is the Chairman of M/s. Park B. Smith Ltd. in United States of America has been recognised as one of the twenty influential personalities, which includes person such as Calvin Klein and Ralph Lauren, during the last twenty years in Home Textile Industry of United States of America. This is mainly for his marketing of Indian made goods for bed, bath, table, kitchen & window and especially for the promotion of eco-programme. This has been published as per the survey conducted by leading Home Textile magazine, "Home Textiles Today" published in the 20th Anniversary issue from United States of America in 1999. It is a great honour for our organisation that we have contributed to such an achievement. Mr. K.B. Agrawal, Alternate Director to Mr. Park B. Smith, has played a pivotal role in achieving the above goal. Members of the Board place on record the appreciation for this great achievement of Mr. Smith on behalf of the Alps family.

HUMAN RESOURCE DEVELOPMENT

Your company continues to attract and retain personnel who have expertise not only in the field of Textile Industry, but also in other disciplines. Your company enjoys cordial relations with its employees and workers.

The information required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 duly amended by the Companies (Particulars of Employees) Amendment Rules, 1999 for the year ended 31st March 1999 and forming part of this report are given in Annexure 1.

ENVIRONMENT AWARENESS

Your company has taken the initiative to protect and preserve the environment and is in implementing the ISO - 14001, Environment Management System through CII - USAID - ICICI - Project and expects to get the certification for the same within the current financial year.

ISO - 9002 FOR QUALITY CONTROL

To meet out the international quality standards, we have initiated steps to obtain the certification of ISO-9002, which is expected within the current financial year.

DIVIDEND

Your Directors recommend a dividend of 10% on paid-up share capital of the company. Dividend due to shareholders who have not paid their calls in arrears, will be adjusted towards the dues. A provision of Rs. 67.33 lacs, inclusive of Corporate Dividend Tax, has been made in the accounts, for this purpose.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

Information as per Section 217 (1)(e), read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed as Annexure 2.

DIRECTORS

Mr. V.K. Mittal and Mr. Park B. Smith, Directors of the Company, shall retire by rotation, pursuant to the provisions of Article No. 106, 107 & 108 of the Articles of Association of the company and Section 255/256 of the Companies Act, 1956, and being eligible offer themselves for re-appointment. The Board recommends their re-appointment.

During the year under review SICOM LTD., Mumbai has nominated Mr. M.T. Chiddarwar as a Non-rotational Nominee Director in terms of the Agreement for financial assistance provided by them. The members of the Board welcome him on his joining as a member of the Board of the Company.

YEAR 2000 (Y2K) COMPLIANCE

Your company has planed comprehensive programme to meet out defined setup milestones to manage the year 2000 (Y2K) problem effectively. The expenditure to ensure Y2K compliance is not expected to be material. Therefore, funds would not be a constraint for making your company Y2K compliant at any stage. The company is developing contingency plan to minimise the risk of disruption of its operation due to Y2K non-compliance by suppliers of critical material and services.

Despite all our efforts for Y2K remediation, unforeseen problems, which may arise, are not expected to affect our business operations significantly. We possess, in-house, technical compe-

tence and manual systems backup to handle any eventuality.

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 Auditors' Report are dealt with in Notes to Accounts at appropriate places and being self-explanatory need no further explanations.

FIXED DEPOSITS

During the year, Company has raised money by way of Fixed Deposits from the shareholders and public under 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 place on record their appreciation for the co-operation and support provided by the Financial Institutions and Banks viz. IDBI, SICOM Ltd., PICUP, UPFC, State Bank of India, and various other government agencies. Your Directors are also thankful to Technology Information Forecasting & Assessment Council (TIFAC), Deptt. of Science & Technology, Govt. of India, IIT, New Delhi and other business associates, customers and shareholders for their assistance. Your Directors also wish to place on record their appreciation for dedicated services rendered by employees at all levels who have all contributed to the improvement in the performance of the company.

For and on behalf of the Board of Directors

K.K. AGARWAL
Chairman & Managing Director

Place : Chaziabad
 Date : 20th August, 1999