



ALOK
TEXTILE
INDUSTRIES
LIMITED



MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DFY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SH	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



11TH ANNUAL REPORT 1996-97



ALOK
THE COMPLETE TEXTILE HOUSE

BOARD OF DIRECTORS

Shri Ashok B. Jiwrajka	Executive Chairman
Shri Dilip B. Jiwrajka	Managing Director
Shri Surendra B. Jiwrajka	Executive Director
Shri Chandrakumar Bubna	Executive Director
Shri Bhagirathmal J. Jiwrajka	Director
Shri Virendra Uppal	Director
Shri Ashok G. Rajani	Director
Shri K.R. Modi	Director
Shri S.H. Bathiya	Director
Smt. Sudha A. Gadgil	Director (IDBI Nominee)

BANKERS

State Bank of India
ANZ Grindlays Bank
IndusInd Bank Limited
The Federal Bank Limited
The Karur Vysya Bank Limited

STATUTORY AUDITORS

MAHESH GANDHI & CO.,
Chartered Accountants,
6, Saraswati Darshan,
S.V. Road, Malad (W),
Mumbai-400 064.

SECRETARY

Mr. K.H. Gopal

LEGAL ADVISORS

KANGA & CO.

SHARE TRANSFER AGENTS

ONLINE SHARE MANAGEMENT SERVICES LIMITED

Mittal Industrial Estate,
Sanjay Bldg # 6, Gala 158,
Andheri-Kurla Road,
Andheri (E), Mumbai 400 058.

The One Stop Source for the Garment Export Industry.

OFFICES**REGISTERED OFFICE**

B-43, Mittal Tower,
Nariman Point, Mumbai 400 021.

CORPORATE OFFICE

106/107/109/118, 1st Floor,
Shah & Nahar (Worli) Industrial Estate,
Worli, Mumbai 400 018.

MD		BKC	
CS		DPY	
RO		DIV	
TRA		AC	
AGM		SHI	
YE			

DELHI

Alok House, 177, Sant Nagar,
East of Kailash,
New Delhi 110 065.

BANGALORE

895/1, 14th Cross,
Mahalakshmi Layout,
Bangalore 560 086.

WORKS**FABRIC DIVISION****WEAVING**

Kalyan Road, Babla Compound,
Bhiwandi 421 302.

17/2/2, Rakholi, Silvassa,
U.T. of Dadra & Nagar Haveli.

PROCESSING

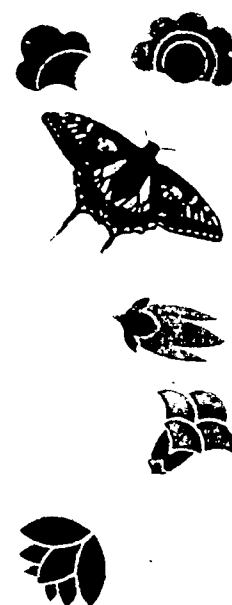
C-16/2, TTC Ind. Area,
MIDC, Navi Mumbai,
Dist. Thane.

KNITTING DIVISION

103/2, Rakholi, Silvassa-396 230
U.T. of Dadra & Nagar Haveli.

YARN DIVISION

103/2, Rakholi,
Silvassa-396 230
U.T. of Dadra & Nagar Haveli.





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NOTICE

Notice is hereby given that the Eleventh Annual General Meeting of the members of ALOK TEXTILE INDUSTRIES LIMITED will be held on Tuesday, the 23rd day of September, 1997 at 11.30 a.m. at ORT SIMEON SEMINAR CENTRE, ORT India Building, 68, Worli Hill Road, Worli, Mumbai 400 018 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1997, the Profit & Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To declare dividends on Preference and Equity Shares.
3. To appoint a Director in place of Shri Bhagirathmal J. Jiwrajka who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Shailesh H. Bathiya who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS

6. To Consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution :

"RESOLVED that pursuant to Section 81 (1-A) and other applicable provisions, if any, of the Companies Act, 1956, and Foreign Exchange Regulations, Act, 1973, and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board and as may be prescribed in granting such approvals which may be agreed to by the Board, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to issue offer and allot Equity Shares/Preference Shares/Fully Convertible Debentures/Partly Convertible Debentures/Non-Convertible Debentures/Bonds/Global Depository Receipts and other instruments as may be decided by the Board of Directors for an aggregate sum decided by the Board of Directors but not exceeding Rs. 500 crores in their sole discretion with or without Warrants to Promoters/Directors, their friends and relatives and associates/Group Companies' members, Employees, Non-Resident Indians, Indian public, Overseas Corporate Bodies, International Institutions, Foreign Institutional Investors, Companies, Mutual Funds, Financial Institutions, and other entities as may be allowed under applicable regulations and to such persons by Private Placement, Firm Allotment, Reservations, Public Issue, Rights Issue, Euro Issue or any other method(s) permitted by law or by one or more of the above methods whether shareholders of the Company or not and at such time or times as the Board may think fit on such terms and conditions including the face value, premium amount, premium on conversion, number of conversion, number of tranches, exercise price for warrants/options, rate of interest, redemption period, manner of redemption, amount of premium on redemption/conversion, nature of security, manner of calls, etc., with authority to retain such oversubscription amount as may be permitted."

"RESOLVED FURTHER that such of these Equity Shares/Preference Shares/Fully Convertible Debentures/Partly Convertible Debentures/Non-Convertible Debentures/Bonds/Global Depository Receipts/other instruments as are not subscribed may be disposed by the Board in its absolute discretion in such manner as they may deem fit."

"RESOLVED FURTHER that for the purpose of giving effect to the above resolution, the Board of Directors be and is hereby authorised to do all such acts deeds matters and things as they may in their absolute discretion deem necessary or desirable and to settle any question of difficulty or doubt that may arise in regard to the offer, issue, allotment of the Equity Shares/Preference Shares/Fully Convertible Debentures/Non-Convertible Debentures/Bonds/Global Depository Receipts/other instruments.

The One Stop Source for the Garment Export Industry.





ANNEXURE TO NOTICE

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956.

The members may recall that the resolution no. 6 was considered and passed unanimously at the Extra-Ordinary General Meetings held on 24th November, 1994 and 27th December, 1995. The Company has been advised that it would be prudent to seek the fresh approval of members as more than 12 months have elapsed since it was last approved. In order to protect the interests of the Company adequately and to ensure against any uncertainties in the future on this issue, resolution no. 6 is once again recommended for approval by the members.

All the Directors of the Company may be deemed to be concerned or interested in resolution no. 6 to the extent of the Equity Shares/Preference Shares/Debentures/Bonds/other Securities offered to them or to their relatives or to the Companies or to firms of which they or their relatives are Directors or members of Partners.

By Order of the Board
K.H. Gopal
 Company Secretary

Registered Office:

B/43, Mittal Tower,
 Nariman Point,
 Mumbai 400 021.

Dated: June 30, 1997.

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 A MEMBER OF THE COMPANY.

The instrument of proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the special business set out above is annexed hereto.
3. Members are requested to notify immediately any change in their address to the Transfer Agent M/s Online Share Management Services Limited, Mittal Industrial Estate, Sanjay Building No. 6, Gala No. 158, Andheri Kurla Road, Andheri (E), Mumbai 400 058.
4. Members are requested to bring their copy of the Annual Report to the Meeting and produce the Attendance Slip at the entrance where the Annual General Meeting will be held.
5. The Register at Members and Share Transfer Book of the Company will be closed from Tuesday, 16th September, 1997 to Tuesday, 23rd September, 1997 (both days inclusive).
6. If the dividend on Shares, as recommended by the Board of Directors, is declared at the Meeting, payment thereof will be made to those Shareholders, whose names appear on the Register of Members of the Company as on 23rd September, 1997.
7. The unpaid dividend that is due for transfer to the Central Government is as under :

Dividend No.	Date of Declaration	For the Financial Year	Due for transfer on
01.	09.08.1994	1993-94	23.09.1997
02.	31.08.1995	1994-95	15.10.1998
03.	14.08.1996	1995-96	30.09.1999

Members who have not encashed their Dividend Warrants may approach the Company's Secretarial Department at the Company's Corporate Office for revalidating the Warrants or for obtaining duplicate warrants.

8. Members desiring any information as regards to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
9. All documents referred to in the above Notice and Explanatory Statements are open for inspection at the Corporate Office of the Company at 106/107 Shah & Nahar (Worli) Industrial Estate, Off. Dr. E. Moses Road, Worli, Mumbai 400 018 between 11.00 a.m. and 1.00 p.m. on all working days other than Sundays and holidays and except during such periods when the same are closed under law.

By Order of the Board
K.H. Gopal
Company Secretary

Registered Office :
B/43, Mittal Tower,
Nariman Point,
Mumbai 400 021.

Dated : June 30, 1997.

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The One Stop Source for the Garment Export Industry.





DIRECTORS' REPORT

Dear Shareholders,

Your Directors take great pleasure in presenting the Eleventh Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 1997.

FINANCIAL RESULTS

Particulars	[Rs. In Lakhs]	
	Accounting Year Ended 31.03.97 (12 Months)	Accounting Year Ended 31.03.96 (12 Months)
Sales	16796.86	12055.13
Other Income	3.25	4.26
Total Income	16800.11	12059.39
Total Expenditure	15023.75	10644.27
Profit Before Interest & Depreciation	1776.36	1415.12
Less : Interest [Net]	830.15	529.31
Depreciation	246.78	284.07
Profit Before Tax	699.43	601.74
Provision for taxation	76.53	—
Profit after Tax	622.90	601.74
Add : Balance brought forward from the previous year	374.35	522.51
Balance available for Appropriation	997.25	1124.25
Less : Transferred to General Reserve	100.00	575.00
Proposed Dividend	103.82	74.90
Corporate tax on Proposed Dividend	10.38	—
Debenture Redemption Reserve	230.83	100.00
Taxation of earlier year	60.41	—
Balance Carried to Balance Sheet	491.81	374.35

DIVIDEND

Your Directors are pleased to recommend a dividend of 20% (net of dividend tax) on the equity shares of the Company subject to approval by shareholders. This will result in a payout of Rs.80.06 lakhs. In addition, the payout on account of dividend on preference shares (net of dividend tax) will be Rs.23.76 lakhs.

OPERATIONS

The year under review was a difficult year for the country. Industry in general faced extremely tight money market conditions which was compounded by the political and economic uncertainty. Interest rates continued to be high, cost of essential inputs increased and margins were subjected to severe

pressure. Your Company registered a moderate growth in its operations. The total income was Rs. 16800.11 lakhs and Net Profit was Rs.622.90 lakhs (after providing for Minimum Alternate Tax of Rs.76.53 lakhs) as compared to Rs.12059.39 lakhs and Rs. 601.74 lakhs (NIL Tax) respectively of last year.

A. FABRIC DIVISION

The Fabric Division recorded modest growth. The prices of essential inputs continued to rise, however, the Company, could obtain higher realisation by the manufacture of fancy fabrics.

The Company's state-of-the-art Process House at Navi Mumbai which commenced production in March 1996 is now nearing completion and is scheduled to commence full production shortly. Upon completion, the Process House will have capacities to process/finish 201.6 lakhs metres per annum of woven fabrics and 2688 tonnes per annum of knit fabrics. The unit is equipped with sophisticated imported and indigenous machines which will upgrade quality and reduce costs. The unit will also be in line with the strict environmental regulations. This division is expected to considerably enhance the bottomline of the Company in the coming years.

The export of fabrics went up from Rs.10.06 lakhs last year to Rs.276.92 lakhs. With the setting up of the Process House at Navi Mumbai, your Company will now be equipped to exercise better control over quality and deliveries and this should enhance the export performance.

B. KNITTING DIVISION

This division which commenced production last year is now well established with its products being accepted well by the garment export market. This division will be achieving full capacity this year and is expected to post encouraging results in the coming years.

C. YARN DIVISION

Polyester prices witnessed a sharp decline and excise duties were reduced in the last Budget. With the decrease in prices, the demand for polyester yarn is looking up. There is a shift in preferences from cotton to polyester and consumption of polyester is on the increase. The Company has already got increased capacities in place to meet this demand.

FINANCE

During the year under review, your Company successfully completed its Rights Issue of 74,90,192 Equity Shares of Rs.10/- each for cash at a premium of Rs.10/- per share aggregating Rs.14,98,03,840/- on rights basis to the equity shareholders in the ratio of two equity shares for every equity share held as on 3rd January, 1997, the Record Date. The issue was to part-finance the twin projects of the Knitting Division and the Process House. We are thankful to our shareholders for the support and trust reposed by them in the Company.

Your Company was sanctioned a Rupee Term Loan of Rs.700 lakhs from the Industrial Development Bank of India for part-financing the above projects.

During the year, your Company placed Non-Convertible Debentures aggregating Rs.300 lakhs on a private placement basis with Life Insurance Corporation of India and General Insurance Corporation of India and its two subsidiaries for augmenting long term working capital requirements.

Your Company also issued preference shares aggregating Rs.300 lakhs to the erstwhile SCICI Limited (now merged with Industrial Credit and Investment Corporation of India Limited) for augmenting its working capital requirements.

Your Company was also sanctioned a Foreign Currency Term Loan of US \$ 3.00 Million by Bank of India to augment its long term working capital requirements under the External Commercial Borrowing Scheme and the same was disbursed in June 1997.





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FUTURE PLANS

Your Company plans to modernise its weaving operations by installing Sulzer projectile looms at Rakholi, Silvassa for the manufacture of 100% cotton fabrics of wider width with an installed capacity of 25.58 lakh metres per annum. This expansion-cum-modernisation programme will ensure consistency in quality through all stages of fabric making. The renowned textile consultants, M/s. Gherzi Eastern India Limited have been appointed for executing the project on a turnkey basis.

Looking to the growing global demand for knitted fabrics, the Company is also working on a proposal to increase its knitting capacities by the installation of additional knitting machines.

The Company is in the process of finalising the means to finance the above plans.

PROSPECTS

Your Company has been constantly making efforts to improve cost effectiveness and become competitive. With the completion of the Process House and Knitting Projects and the modernisation of the weaving capacities, your Company would be in a better position to participate in the globalised environment. The export front would be considered as the thrust area and efforts would be maximised to enhance export earnings.

The Government realises the need for a sustained programme of technological upgradation so that the country can not only maintain its presence in the global markets but also carve out a larger share in the international trade in textiles. As an initial step in this direction, weaving and processing sectors have been singled out for upgradation, growth and development. Accordingly, these sectors have been provided with an impetus through reduced custom duties on imported weaving and processing machines. A separate fund is also proposed to be set up in order to enable modernisation of the textile industry.

With your Company's modern facilities in place, your directors view the prospects for the future with confidence.

CAPITAL EXPENDITURE

During the period under review, the net addition to Fixed Assets including capital work-in-progress and unallocated capital expenditure were Rs.1699.55 lakhs.

SALE OF ASSETS

Members may recall that their permission was sought at the Extra Ordinary General Meeting held on 30th April 1997 for sale of the Company's unit at 65-A, Piparia Industrial Estate, Silvassa. The said deal has since been concluded pending the approval of the concerned authorities.

FIXED DEPOSITS

Fixed Deposits from the public stood at Rs. 241.60 lakhs at the end of the year. None of these deposits had matured for payment and consequently there were no unclaimed deposits till the date of this Report.

INSURANCE

Adequate insurance cover has been taken for properties of the Company including Buildings, Plant & Machineries and Stocks.

AUDITORS' REPORT

Observations made in the Auditors' Report are self explanatory and therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.