



MD	✓		BKC	✓
CS	✓		DPY	11/12
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		



ALOK TEXTILE INDUSTRIES LIMITED **12TH ANNUAL REPORT 1997 - 98**



CONTENTS	Page No.
Board of Directors and other Information	3
Milestones	5
Product Profile	6
Notice	7
Directors Report	9
Cash Flow Statement	15
Financial Highlights	16
Sources and Utilisation of funds	17
Auditors Report	18
Balance Sheet	20
Profit & Loss Account	21
Schedules to Balance Sheet and Profit & Loss Account	22
Notes to Accounts	30
Abstract of Balance Sheet and Business Profile of the Company	35
Investor Information	37

BOARD OF DIRECTORS

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

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.

**VICE PRESIDENT (LEGAL) &
COMPANY SECRETARY**

Mr. K.H. Gopal

LEGAL ADVISORS

KANGA & CO.
Readymoney Mansion, 43,
Veer Nariman Road,
Mumbai-400 001

SHARE TRANSFER AGENTS

ONLINE-SHARE MANAGEMENT SERVICES LIMITED
2 Bandra Hill View Co.Op. Soc. Ltd.
3rd Floor, 85, Hill Road
Behind Robinson Departmental Stores
Bandra (West), Mumbai-400 050



ALOK
THE COMPLETE TEXTILE HOUSE

OFFICES

REGISTERED OFFICES

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

CORPORATE OFFICE

Shah & Nahar (Worli) Industrial Estate,
1st Floor, Off Dr. E. Moses Road,
Worli, Mumbai - 400 018.

DELHI

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

BANGALORE

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

WORKS

WEAVING

Babla Compound, Kalyan Road,
Bhiwandi - Dist. Thane

17/5/1, Rakholi, Silvassa,
U.T. of Dadra & Nagar Haveli.

PROCESSING

C-16/2, Village Pawane,
TTC Industrial Area,
MIDC, Navi Mumbai,
Dist. Thane.

KNITTING

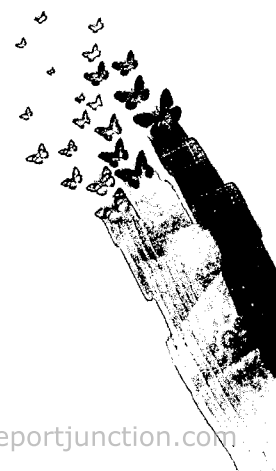
17/5/1, Rakholi,
Silvassa,
U.T. of Dadra & Nagar Haveli

YARN

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

MILESTONES

- 1986 Incorporation as a Private Limited Company.
- 1989 Setting up of facilities for manufacture of intermingled yarn.
- 1991 Commencement of weaving operation.
- 1993 Conversion into Public Limited Company and IPO of 2250000 equity shares aggregating to Rs. 450 lakhs.
- 1994 Turnover of Rs. 50 crores achieved. Expansion of weaving and texturising capacities.
- 1995 Financial and Technical collaboration with Grabal, Albert Grabher Gesellschaft mbH & Co. of Austria for manufacture of embroidered products through a joint venture company viz. Grabal Alok Exports Limited.
- 1996 Turnover of Rs.100 crores achieved. Expansion of Texturising capacity.
- 1996-97 Setting up of Knitting Division and state-of-the-art eco-friendly Process House for woven & knitted fabrics.
- 1997 Turnover of Rs.150 crores achieved. Completion of Rights Issue of 74,90,192/- equity shares aggregating to Rs.1498.04 lakhs to part-finance the process house and knitting projects.
- 1998 Modernisation and expansion of weaving and knitting capacities.
- 1998 Private placement of 12,40,000 equity shares of aggregating to Rs. 2.23 crores with a Foreign Institutional Investor.





Product Profile and Details of manufacturing facilities

WEAVING

Location	1) Babla Compound, Kalyan Road Bhiwandi, Dist. Thane 2) 17/5/1, Rakholi, Silvassa, U.T. of Dadra and Nagar Haveli
Capacity	400 lakh metres per annum (including outsourced capacities) 104 Cimmco looms and 48 Sulzer looms
Product Range	a) 100% Cotton Bottom weight fabrics like Drills, Twills, Gaberbines, Bull Denims & Canvas, Shirting and Blouse weight fabrics like Sheeting, Cambrics, Yarn Dyed Stripes, Jacquard, Dobby etc. b) 100% Viscose fabrics like Satins, Rayons, Georgettes, Moss Crepe, Dull Boskey, Bright Boskey, Jacquard, Dobby etc. c) 100% Polyester, Blended Fabrics and Fabric made of high value added fibres Lycra, Polynosics, Modal, Acetate, etc.

PROCESS

Location	C-16/2, Village Pawane, MIDC, TTC Industrial Area, Navi Mumbai
Capacity	201 lakh metres per annum of wovens and 2688 tpa of knits

Product Range	All kinds of wet processing of woven and knitted fabrics.
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KNITTING

Location	17/5/1, Village Rakholi, Silvassa, U.T. of Dadra & Nagar Haveli.
Capacity	4486 tpa (28 nos. Mayer & Cie Circular Knitting Machines)
Product Range	Single Jersey, Double Jersey, Interlock, Auto Strippers etc. in Cotton and Polyester.

YARN

Location	103/2, Village Rakholi, Silvassa, U.T. of Dadra & Nagar Haveli
Capacity Product Range	5027 MTPA (8 nos. texturising machines) 80 D Micro, 80 D Wt. Roto etc.

NOTICE

12th

Annual Report
1997-98

NOTICE is hereby given that the Twelfth Annual General Meeting of the members of **ALOK TEXTILE INDUSTRIES LIMITED** will be held on Tuesday, the 22nd day of September, 1998 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, 1998, 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 Ashok G. Rajani who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Virendra Uppal who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Chandrakumar Bubna 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 till the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

By Order of the Board

REGISTERED OFFICE :

B-43, MITTAL TOWER
NARIMAN POINT
MUMBAI - 400 021

K. H. GOPAL
*Vice President (Legal) &
Company Secretary*

DATED : June 16, 1998

NOTES :

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.

Members are requested to notify immediately any change in their address to the Transfer Agent M/s Online Management Services Limited, 2, Bandra Hill View Co-op. Soc. Ltd., 3rd Floor, 85, Hill Road, Behind Robinson Departmental Store, Bandra (West), Mumbai - 400 050.

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.

The Register of Members and Share Transfer Book of the Company will be closed from 15th September, 1998 to 22nd September, 1998 (both days inclusive).

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 22nd September, 1998.



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	31.08.1995	1994-95	15.10.1998
02	14.08.1996	1995-96	30.09.1999
03	23.09.1997	1996-97	08.11.2000

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.

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.

By Order of the Board

K. H. Gopal
Vice President (Legal) &
Company Secretary

Registered Office :

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

Dated : June 16, 1998.

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DIRECTORS' REPORT

12th

Dear Shareholders,

Your Directors take great pleasure in presenting the Twelfth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 1998.

Annual Report
1997-98

FINANCIAL RESULTS

[Rs. In Crores]

PARTICULARS	ACCOUNTING YEAR ENDED 31.03.1998	ACCOUNTING YEAR ENDED 31.03.1997
Sales	196.71	167.97
Other Income	0.64	0.03
Total Income	197.35	168.00
Total Expenditure	170.62	150.24
Profit Before Interest & Depreciation	26.73	17.76
Less: Interest [Net]	12.07	8.30
Depreciation	3.35	2.47
Profit Before Tax	11.31	6.99
Provision for taxation	1.09	0.76
Profit after Tax	10.22	6.23
Add: Balance brought forward from the previous year	4.92	3.74
Balance available for Appropriation	15.14	9.97
Add : Transferred from Debenture Redemption Reserve	3.00	—
Excess provision of dividend of earlier year	0.01	—
	18.15	9.97
Less: Transferred to General Reserve	1.25	1.00
Proposed Dividend	2.99	1.04
Corporate tax on Proposed Dividend	0.30	0.10
Debenture Redemption Reserve	0.82	2.31
Taxation of earlier year	2.17	0.60
Balance Carried to Balance Sheet	10.62	4.92

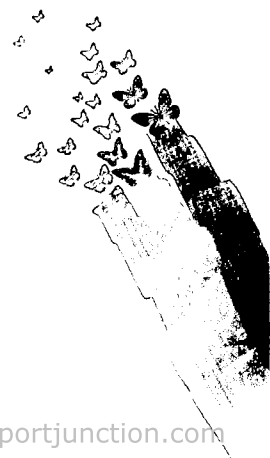
DIVIDEND

Your Directors are pleased to recommend a dividend of 20% on the equity shares of the Company resulting in a payout of Rs.2.21 crores, subject to approval by shareholders. In addition, the payout on account of dividend on preference shares will be Rs.0.78 crores.

GENERAL ECONOMIC REVIEW

The past few months has witnessed certain significant changes, both politically and economically. The rupee has broken through the psychological barrier of Rs.40.00 vis-a-vis the dollar and is expected to go up further. The coalition government managed to get the vote of confidence and then pulled off a coup of sorts by going nuclear and declaring the country as a nuclear weapons state. This has, in turn triggered off a spate of economic sanctions, the full impact of which may be felt only in the coming months. The Union Budget 1998-99 has been conservative and has chosen to adopt a neutral stance.

The industry in general has managed to perform creditably despite the continuing depression in the economy and heavy interest costs. This indeed speaks a lot of the Indian entrepreneur's capacity to overcome odds and achieve success.





OPERATIONS

If there is any Indian industry which has the capacity of becoming globally competitive, it is the textile industry. Your Company which falls in this category is today a multi-divisional company with interests in weaving, knitting, processing (both wovens and knits) and texturising. The world class facilities put up by your Company in each of these segments provide the necessary platform to take on competition in the post-GATT era when the quota system would be abolished. The Company's continued focus on the garment export sector is also a key factor for stable growth given the fact that textiles are the country's largest net forex earner.

A. FABRIC DIVISION

The Fabric Division of the Company envelopes the weaving, knitting and processing divisions.

The fabric division has posted a turnover of Rs.153.07 crores for 1997-98 as against Rs.125.21 crores in the previous year recording an increase of 22%. The fabric division is expected to record a substantially higher turnover in the coming years in view of the fact that the major projects of the Company involving setting up of the process house and knitting divisions and the modernisation and expansion of the weaving and knitting divisions have been completed and the projects would start paying back. The coming years would also witness a substantial increase in exports as a natural outcome of the Company's modern plants and resultant ability to deliver products at international quality and price.

Management Perception

The facilities for weaving, knitting and processing have been set up after a lot of detailed and conscious planning. The need of the garment exporters have been acutely assessed and the projects have been set up in an attempt to address their limitations in a focussed manner.

The weaving division of your Company is today equipped with 104 Cimmco looms and 48 Sulzer projectile looms of wider width with an annual capacity of 75 lakh metres for the manufacture of a wide range of grey cotton, viscose, blended and fancy fabrics to cater to virtually every weaving requirement of the garment exporter. In addition, the Company has hired out looms with an annual capacity of 125 lakh metres and also outsources around 200 lakh metres per annum in order to meet demand on time.

The knitting division of your Company is today a modern unit with the capacity to manufacture 4486 m.t. per annum of grey cotton/polyester knitted fabrics. The unit is equipped with 28 nos. Mayer & Cie Circular Knitting Machines, which have all commenced commercial production.

The Company's processing house is steadily building a reputation for delivering international quality processing / finishing at competitive prices. This has been made possible due to the fact that the process house possesses some of the latest finishing machinery like the Kusters Cold Pad Batch Dyeing Machine, Continuous Open Width Washing Machine and Polymerizer Steamer Equipment from Arioli, Soft Flow Dyeing Machines from Sclavos and Fong's and the Tube Tex Knit Fabric Processing Range. In addition the process house also has indigenous stenters, jumbo jiggers, JT-10s and printing machines (both rotary and screen) that enables it to offer world class facilities to the garment exporters.

With the above facilities in place, your Company is now in a position to fulfill virtually any fabric requirement of the garment exporter at extremely competitive prices and strict adherence to delivery schedules. Your Company will now be embarking on a gradual effort to enhance exports and thereby boost the bottomline.

B. YARN DIVISION

Your Company's Yarn Division achieved a turnover of Rs. 43.64 crores as compared with Rs. 42.76 crores last year, an increase of a modest 4% in value terms. The increase in quantitative terms was, however, much more at 17%. This was mainly because prices of POY and consequently PTY fell down during the year and the excise duties continued to remain at the same level. The excise duties are expected to reduce in the coming years which may lead to increased margins for this industry.

FINANCE

Your Company availed of a Foreign Currency Loan of USD 3.00 million under the ECB Scheme from Bank of India during the year in order to augment long term working capital requirements.

Your Company also placed 12,40,000 equity shares of Rs.10/- each at a premium of Rs. 8/- per share with a Foreign