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**ALOK INDUSTRIES LIMITED**  
**15TH ANNUAL REPORT 2000 - 2001**



## QUEST FOR EXCELLENCE

*We are a professionally managed Company, catering to the needs of the Global Garment Industry.*

*We have modern state-of-the-art facilities for Weaving, Knitting, Processing, Yarn and Embroidery providing a total solution to the Global Garment Industry.*

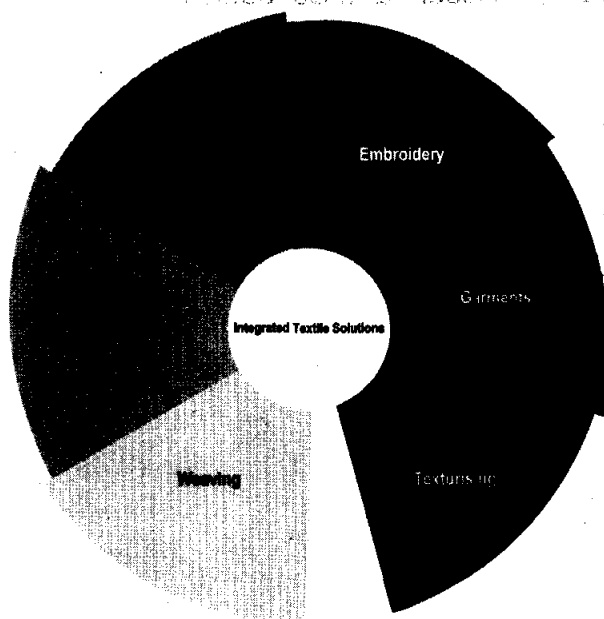
*With more than a decade of dedicated involvement with the Garment Industry, our core competency lies in assuring garment manufacturers of quality, consistency and dependable delivery schedules at Internationally competitive prices.*

*We draw strength from our ability to make fabrics based on customer specifications.*

*We constantly create value and attain Global Benchmarks in every facet of our operation.*

*We constantly adapt new technologies and are well equipped to face the challenges in the Post-Gatt Era.*

*We provide Integrated Textile Solutions for Quality, Versatility and Reliability.*



*Integrated Textile Solutions*



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## CHAIRMAN'S COMMUNICATION

My dear fellow shareholders,

It has been another great year together, at your Company.

Indeed, this year has brought a very special sense of achievement for all of us, perhaps more than ever before in the past.

Sales have increased by 24.7% to Rs. 444.6 Crores. Exports have doubled to Rs. 18.7 crores.

Net profit after tax has maintained its growth momentum by rise of 37.9% to Rs. 29.47 crores.

What is truly commendable is the manner in which our people have achieved these new heights; always breaking new ground, always setting new standards, always driven by a desire to excel.

Our confidence in the latent potential of economies of scale is just beginning to be rewarded. As our expansion projects go on stream, the investments we are making in all these areas will generate even higher returns.

Expansion and modernisation have created a solid foundation for a successful future. This foundation begins with a customer focus in everything we do, as our success is dependent on our customers' success. Our objective today is to be the supplier that our customers cannot afford to be without, by providing them quality products and services that give them tangible competitive advantages in the marketplace. Building on success, we have expanded our commitment to new product development. Our steady stream of innovative, value-added products has captured the interest of existing customers and opened doors to new ones.

We have expanded our marketing efforts to better understand and more quickly exploit market opportunities. The textile market continues to globalise. Fiscal 2002 will be a year in which we will complete the expansion and modernisation under TUF to solidify our production base. We expect fiscal 2003 to be a "breakout" year as we begin to capitalise on the financial benefits associated with an expanded presence, broader range of products, more efficient manufacturing and improved service. Our ability to grow would not be possible without the dedication and commitment to excellence of our employees. They are the biggest reason that Alok will continue to excel in our industry. I believe our future prospects to be very bright, and that you, our shareholder, will be rewarded for your continued support.

Advancing our technology will also be critical in successfully distinguishing our products from the competition. For many years, "technology" in textiles referred to improving machine speed. Today, we are looking to technology to create distinctive new products and further increase efficiencies. We are advancing our products and services while improving operations.

We will continue to put new capacities in place and streamline our plants for competitive advantages.

The theme of our efforts over the past several years has been to set Alok apart and increase its competitive advantages. To that end, we have focused on our core businesses in which we can be leaders, and we have structured and expanded those businesses for maximum efficiency. Our goal is to establish Alok as the premier source for distinctive, innovative products (i.e. fashion) and speed to the market. We believe we have in place all these elements needed to reach that goal.

Before I conclude, I extend my sincere gratitude to all the contributors to your Company's success, namely shareholders, employees, suppliers, consumers, bankers & financial institutions.

**Ashok B. Jiwrajka**  
Executive Chairman  
Mumbai: 20th July 2001



## BOARD OF DIRECTORS AND OTHER INFORMATION

### Board of Directors

Ashok B. Jiwrajka  
**Executive Chairman**

Dilip B. Jiwrajka  
**Managing Director**

Surendra B. Jiwrajka  
**Executive Director**

Chandrakumar Bubna  
**Executive Director**

Ashok G. Rajani  
**Director**

K. R. Modi  
**Director**

Shailesh H. Bathiya  
**Director**

Dr. Mukhopadhyay T. K.  
**IDBI Nominee Director**

Sidharth Rath  
**IFCI Nominee Director**

### Bankers

State Bank of India  
Punjab National Bank  
The Karur Vysya Bank Limited  
The Federal Bank Limited  
Development Credit Bank Limited  
Andhra Bank  
State Bank of Hyderabad  
Centurion Bank  
Standard Chartered Grindlays Bank Limited  
Syndicate Bank  
The South India Bank Limited

### Statutory Auditors

Gandhi & Parekh  
Chartered Accountants

### Internal Auditors

RSM & Co.,  
Chartered Accountants

Devdhar Joglekar & Srinivasan  
Chartered Accountants

### Legal Advisors & Solicitors

Kanga & Co.

### Vice President (Legal) & Company Secretary

K.H. Gopal

### Listing

Stock Exchanges at:  
Mumbai  
Delhi  
Ahmedabad  
Chennai  
National Stock Exchange of India Limited

### Share Transfer Agents

Intime Spectrum Registry Private Limited  
260A, Shanti Industrial Estate,  
Sarojini Naidu Road, Mulund (West),  
Mumbai- 400 080

### ISIN for dematerialisation of Shares

INE 270A01011

### Website Address

[www.aloktextile.com](http://www.aloktextile.com)

### E-mail Address

[Info@aloktextile.com](mailto:Info@aloktextile.com)

### Registered Office

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

### Corporate Office

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

### Delhi Office

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

### Works

#### Weaving

Babla Compound, Kalyan Road,  
Bhiwandi- Dist. Thane

17/5/1, Rakholi, Silvassa,  
Union Territory of Dadra & Nagar Haveli.

#### Processing

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

S. No. 268, Village Balitha,  
Pardi, Valsad, Gujarat

#### Knitting

17/5/1, Rakholi, Silvassa,  
Union Territory of Dadra & Nagar Haveli

#### Yarn

103/2, Rakholi, Silvassa,  
Union Territory of Dadra & Nagar Haveli



## NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the members of **ALOK INDUSTRIES LIMITED** will be held on Tuesday, the 25th day of September, 2001 at 11.00 A.M. at ORT SIMEON SEMINAR CENTRE, ORT India Building, 68, Worli Hill Road, Worli, Mumbai - 400 018 to transact the following businesses.

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2001, 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 Chandrakumar Bubna who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Ashok G. Rajani who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri K. R. Modi 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.

### SPECIAL BUSINESS :

7. To consider, and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution :  
 "RESOLVED THAT in supersession of the Resolution passed in this regard at the Annual General Meeting of the Company held on 23rd September, 1999, the consent of the Company be and is hereby accorded pursuant to Clause (d) of Sub-section (1) of Section 293 and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company for borrowing from time to time any sum or sums of monies, as it may considered fit for the business of the Company on such terms and conditions as it may deem fit and expedient in the interests of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves (that is to say, reserves not set apart for any specific purpose) provided that the maximum amount of monies so borrowed by the Company shall (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) and outstanding at any given point of time, not at any time exceed the sum of Rs.1500 crores (Rupees One Thousand Five Hundred Crores only)."
8. To consider, and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution : "RESOLVED THAT pursuant to the provisions of Clause (a) of Sub-section (1) of Section 293 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Directors of the Company for mortgaging and/or charging all or any of the present and/or future movable and/or immovable properties and assets and the whole or substantially the whole of the undertaking(s) of the Company, on such terms and conditions and in such form and manner, as the Directors may determine for the purpose of securing unto various lenders who have granted and/or who may hereafter grant to the Company, financial facilities in the nature of short term/long term loans, bridge loans, short term/long term secured Non-Convertible Debentures or other forms of secured financial facilities for an aggregate nominal value not exceeding Rs.1500 crores (Rupees One Thousand Five Hundred crores only) for the purpose of securing the said financial facilities granted/ to be granted to the Company, together with interest, further interest, liquidated damages, costs, charges, expenses and other monies payable by the Company under the terms of the respective financial facilities."  
 "RESOLVED FURTHER THAT the Directors of the Company be and are hereby authorised to finalise with the respective lenders the security documents and such other agreements for creating or evidencing the creation of mortgage and/or charge as aforesaid and to do all such other acts, deeds and things and resolve any matter as may be necessary for giving effect to this Resolution."

By Order of the Board  
 REGISTERED OFFICE:  
 B-43, MITTAL TOWER,  
 NARIMAN POINT,  
 MUMBAI - 400 021.  
 DATED: July 7, 2001

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

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLE, VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, is enclosed hereto.
3. The Register of Members and Share Transfer Book of the Company will be closed from 18th day of September, 2001 to 25th September, 2001 (both days inclusive).
4. 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 25th September, 2001.
5. Members are requested to notify immediately any change in their address to the Transfer Agent M/s INTIME SPECTRUM REGISTRY PRIVATE LIMITED, 260 A, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (West), Mumbai - 400 080, Tel.No.: 5672716 / 5684590; Fax No.5672693.
6. 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.
7. The unclaimed dividends upto the Company's financial year 1994-1995 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrants for the said years are requested to claim the amount from Registrar of Companies, Everest Building, Mumbai - 400 020.
8. Members may note that as a result of the amendments introduced through Sections 205A to 205C of the Companies Act, 1956, any money transferred to the unpaid dividend account which remains unpaid or unclaimed for a period of 7 years from the date of such transfer shall be transferred by the Company to a fund called "Investor Education and Protection Fund" to be set up by the Central Government. Accordingly, the unpaid/unclaimed dividends for the year 1995-1996 onwards will become transferable at the end of seven years respectively, to the said Investor Education and Protection Fund and no claims shall lie against the fund or the Company in respect of individual amounts thereafter.
9. Shareholders are, therefore, requested to check up and send heir claims, if any, for the relevant years from 1995-1996 onwards before the respective amounts become due for transfer to the above fund.
10. Equity Shares of the Company are listed on the following Stock Exchanges :

|   |  |
|---|--|
| The Stock Exchange, Mumbai<br>Pheroze Jeejeebhoy Towers,<br>Dalal Street, Fort,<br>Mumbai - 400 001 | Madras Stock Exchange Limited.<br>Exchange Building,<br>Post Box No. 183,<br>11, Second Line Beach,<br>Madras - 600 001. |
|---|--|

|   |   |
|---|---|
| National Stock Exchange<br>of India Limited,<br>Exchange Plaza, 5 <sup>th</sup> Floor,<br>Plot No.C/1, "G" Block,<br>Bandra-Kurla Complex,<br>Bandra (East),<br>Mumbai - 400 051. | The Delhi Stock Exchange<br>Association Limited,<br>DSE House, 3/1,<br>Asaf Ali Road,<br>New Delhi-110 002. |
|---|---|

Stock Exchange Ahmedabad,  
 Kamdhenu Complex,  
 Near Old Sachivalaya,  
 Opp. Sahajanand College, Panjara Pole,  
 Ahmedabad - 380 015.





- The Listing fees in all the above stated Exchanges have been paid upto March 31, 2002.
11. The equity shares of the Company have been made compulsorily tradable in the electronic form for all investors w.e.f. 21st March, 2000 as per SEBI's directive.
  12. 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 : July 7, 2001

#### **ANNEXURE TO THE NOTICE**

#### **EXPLANATORY STATEMENTS PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956:**

##### Item No.7

At the Annual General Meeting of the Company held on 23rd September, 1999, the members had accorded their consent pursuant to Section 293(1)(d) of the Companies Act, 1956, to the Board of Directors of your Company for borrowing monies upto a limit of Rs.1000 crores. In view of the increasing activities and operations and considering the future expansion and diversification programmes of your Company, it is thought fit to increase the limit to Rs.1500 crores. The Resolution at Item No.7 is, therefore, placed for the approval of the Members pursuant to Section 293(1)(d) of the Companies Act, 1956. None of the Directors of your Company is, in any way, concerned or interested in this resolution.

##### Item No.8

As stated in the explanatory statement at Item No.7 of this notice, your Company's activities and operations are increasing, thereby necessitating borrowings as stated in the resolution at Item No.8. Your Directors consider that it would be expedient to have the approval of the shareholders for creating mortgage/charge in favour of various lenders in the event of your Company availing financial facilities of a secured nature. The Resolution at Item No.8 is, therefore, placed for approval of the members pursuant to Section 293 (1)(a) of the Companies Act, 1956. None of the Directors of your Company is, in any way, concerned or interested in this resolution.

By Order of the Board

REGISTERED OFFICE :  
B-43, MITTAL TOWER,  
NARIMAN POINT,  
MUMBAI - 400 021.  
DATED: July 7, 2001

K.H. Gopal  
Vice President [Legal] &  
Company Secretary





## FINANCIAL HIGHLIGHTS

(Rs. in crores)

| Particulars               | 2000-01 | 1999-00 | 1998-99 | 1997-98 | 1996-97 |
|---------------------------|---------|---------|---------|---------|---------|
| <b>Operating Results</b>  |         |         |         |         |         |
| Sales                     | 444.64  | 356.51  | 279.65  | 196.71  | 167.97  |
| Operating Profit          | 76.21   | 60.86   | 44.70   | 26.94   | 17.96   |
| Depreciation              | 11.10   | 8.79    | 6.24    | 3.35    | 2.47    |
| Misc Exp w/off            | 0.77    | 0.75    | 0.67    | 0.21    | 0.20    |
| PBIT                      | 64.34   | 51.33   | 37.79   | 23.38   | 15.71   |
| Interest                  | 32.37   | 28.45   | 21.58   | 12.07   | 8.30    |
| PBT                       | 31.97   | 22.88   | 16.21   | 11.31   | 7.41    |
| PAT                       | 29.47   | 21.38   | 14.96   | 10.22   | 6.23    |
| Cash Profit               | 41.34   | 30.92   | 21.87   | 13.78   | 8.90    |
| Dividend                  | 3.58    | 4.65    | 5.47    | 2.98    | 1.04    |
| Net Cash Accruals         | 37.75   | 25.62   | 16.40   | 10.80   | 7.86    |
| <b>Financial Position</b> |         |         |         |         |         |
| Equity Share Capital      | 28.35   | 27.82   | 23.64   | 11.62   | 9.71    |
| Reserves & Surplus        | 105.63  | 77.67   | 49.44   | 30.98   | 24.32   |
| Miscellaneous Expenses    | 2.50    | 2.63    | 3.24    | 2.84    | 1.10    |
| Tangible Net Worth        | 131.49  | 102.86  | 69.84   | 39.76   | 32.93   |
| Gross Fixed Assets        | 227.89  | 144.94  | 130.08  | 105.25  | 62.23   |
| Net Fixed Assets          | 195.83  | 123.99  | 116.75  | 98.15   | 54.79   |
| Total Assets              | 521.52  | 390.48  | 298.64  | 212.14  | 124.39  |
| Long Term Loans           | 169.12  | 116.45  | 106.86  | 85.79   | 35.90   |
| W/Cap Borrowings          | 104.72  | 81.23   | 52.96   | 48.74   | 25.73   |
| Current Assets            | 321.64  | 262.42  | 177.82  | 109.92  | 65.57   |
| Net Working Capital       | 141.52  | 116.84  | 81.09   | 35.81   | 21.87   |
| Current Liabilities       | 75.39   | 64.35   | 43.77   | 25.37   | 17.97   |
| EPS                       | 10.39   | 8.91    | 8.98    | 8.80    | 16.25   |
| CEPS                      | 14.58   | 12.90   | 13.13   | 11.86   | 23.23   |
| Book Value                | 46.38   | 36.97   | 29.54   | 34.22   | 33.91   |



## KEY RATIOS

| Particulars                    | 2000-01 | 1999-00 | 1998-99 | 1997-98 | 1996-97 |
|--------------------------------|---------|---------|---------|---------|---------|
| <b>Profitability</b>           |         |         |         |         |         |
| Operating Profit Margin (%)    | 17.14   | 17.07   | 15.98   | 13.65   | 10.69   |
| Profit before Tax Margin (%)   | 7.19    | 6.42    | 5.80    | 5.75    | 4.41    |
| Profit after Tax Margin (%)    | 6.63    | 6.00    | 5.35    | 5.20    | 3.71    |
| Return on Networth (%)         | 22.41   | 18.57   | 18.36   | 23.74   | 18.20   |
| Return on Capital Employed (%) | 14.34   | 15.59   | 14.97   | 12.70   | 14.44   |

## Balance Sheet

|               |      |      |      |      |      |
|---------------|------|------|------|------|------|
| Debt - Equity | 1.48 | 1.05 | 1.33 | 1.99 | 1.24 |
| Current Ratio | 1.79 | 1.80 | 1.84 | 1.48 | 1.50 |
| Liquid Ratio  | 0.96 | 1.00 | 0.98 | 0.91 | 0.90 |

## Coverage

|                                       |      |      |      |      |      |
|---------------------------------------|------|------|------|------|------|
| PBDIT/Interest                        | 2.35 | 2.14 | 2.07 | 2.23 | 2.16 |
| FACR (Net Fixed Assets/Secured Loans) | 1.37 | 1.28 | 1.18 | 1.31 | 1.53 |
| W/Capital Turnover Ratio              | 0.32 | 0.33 | 0.29 | 0.18 | 0.13 |