



**ALOK INDUSTRIES LTD.**  
16TH ANNUAL REPORT 2001-2002



## CORPORATE OBJECTIVE

- To ensure total customer satisfaction
- To be a global textile enterprise
- To attain leadership in all facets of operation and meet global standards of cost, quality and pricing
- To constantly provide opportunities and create values for all the employees and society at large
- To maximise profit and shareholders wealth





## 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.*

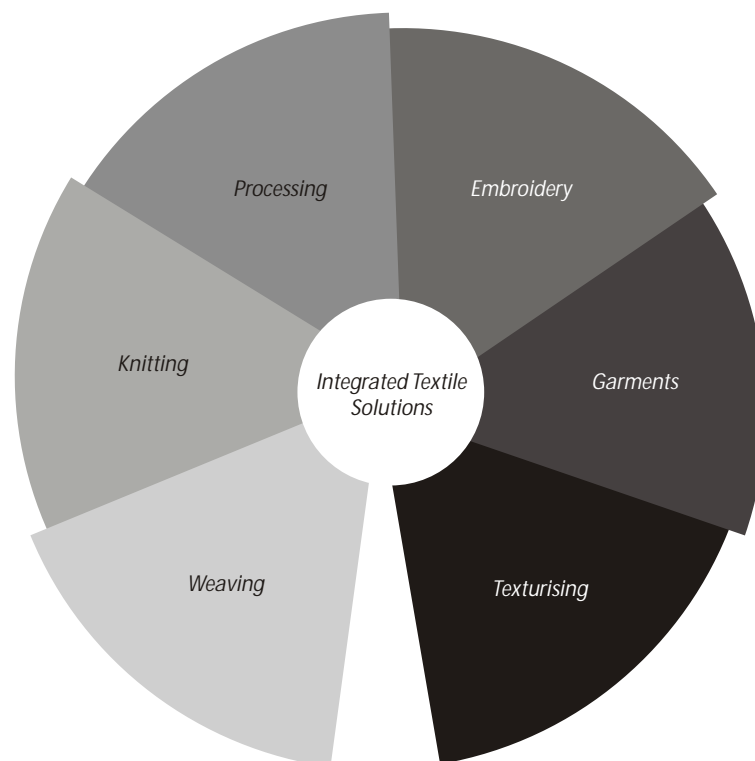
*With more than a decade of dedicated involvement with the Gament Industry, our core competency lies in assuring garment manufacturers of quality, consistency and dependable delivery schedules at Internationally competitive prices.*

*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 Realiability.*





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## 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*  
Naresh Saluja, *IFCI Nominee Director*  
Dr. Mukhopadhyay T.K., *IDBI 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  
Standard Chartered Bank  
Syndicate Bank  
The South Indian Bank Limited  
State Bank of Bikaner & Jaipur  
Bank of India  
State Bank of Patiala  
The Jammu & Kashmir Bank Ltd  
The Vysya Bank Ltd

### Statutory Auditors

Gandhi & Parekh  
*Chartered Accountants*

### Internal Auditors

RSM & Co.,  
*Chartered Accountants*

Devdhar Joglekar & Srinivasan  
*Chartered Accountants*

N.T. Jain & Co.,  
*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 Limited  
260A, Shanti Industrial Estate,  
Sarojini Naidu Road, Mulund (West),  
Mumbai 400 080

ISIN for dematerialisation of shares  
INE 270A01011

ISIN For dematerialisation of FCDs  
INE 270A07018

Website Address :  
[www.alokind.com](http://www.alokind.com)

E-mail Address :  
[info@alokind.com](mailto:info@alokind.com)

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

Corporate Office  
108, Shah & Nahar (Worli) Industrial Estate,  
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
- Survey No.17/5/1, Rakholi, Silvassa,  
Union Territory of Dadra & Nagar Haveli.

#### Processing

- Plot No.C-16/2, Village Pawane,  
TTC Industrial Area, MIDC,  
Navi Mumbai, District: Thane
- Survey No.268, Village Balitha,  
Taluka Pardi, Dist: Valsad  
State: Gujarat

#### Knitting

- Survey No.17/5/1, Rakholi, Silvassa,  
Union Territory of Dadra & Nagar Haveli
- Survey No.521/1, Village Saily, Silvassa,  
Union Territory of Dadra & Nagar Haveli

#### Yarn

Survey No.103/2, Rakholi, Silvassa,  
Union Territory of Dadra & Nagar Haveli

#### Texturising

Survey No.521/1, Village Saily, Silvassa,  
Union Territory of Dadra & Nagar Haveli



## NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the members of ALOK INDUSTRIES LIMITED will be held on Friday, the 27th day of September, 2002 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, 2002, 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 Shailesh H. Bathiya who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Ashok B. Jiwrajka who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Dilip B. Jiwrajka who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

6. To appoint Auditors and to fix their remuneration and for that purpose to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION:  
"RESOLVED THAT the Company's Auditors, M/s. Gandhi & Parekh, who retire, but being eligible, offer themselves for re-appointment, be and are hereby re-appointed as Auditors of the Company from the conclusion of this Meeting until the conclusion of the next Annual General Meeting at a remuneration as may be agreed upon between the Board of Directors and M/s. Gandhi & Parekh.
7. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION:  
"RESOLVED THAT, the Authorised Share Capital of the Company be increased from Rs. 80,00,00,000.00 (Rupees Eighty Crores only) to Rs. 120,00,00,000.00 (Rupees One Hundred Twenty Crores only) by creation of 4,00,00,000 (Four Crore) Equity Shares of Rs. 10/- each".
8. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION:  
"RESOLVED THAT Clause V of the Memorandum of Association of the Company be altered by deletion of the existing Clause V and substitution in place thereof of the following clause as Clause V:  
"The Authorised Share Capital of the Company shall be Rs. 120,00,00,000.00 (Rupees One Hundred Twenty Crores Only) divided into 9,50,00,000 (Nine Crores Fifty Lakh) Equity Shares of Rs. 10/- each and 2,50,00,000 (Two Crore Fifty Lakh) Preference Shares of Rs. 10/- each and such Preference Shares may be either convertible into equity or non-convertible, cumulative or non-cumulative, redeemable or non-redeemable and may carry such dividend as may be decided by the Board of Directors from time to time with power to increase or reduce or modify the capital and to divide all or any of the shares in the capital of the Company for the time being and to classify and reclassify such shares from the shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions, or restrictions as may be determined in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner and by such person as may for the time being be permitted under the provisions of the Articles of Association of the Company or legislative provisions for the time being in force in that behalf."
9. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a SPECIAL RESOLUTION:  
"RESOLVED THAT Article 3 of the Articles of Association be altered by deletion of the existing Article 3 and substitute in place thereof of the following Article as Article 3.  
"The Authorised Share Capital of the Company shall be Rs. 120,00,00,000.00 (Rupees One Hundred Twenty Crores only) divided into 9,50,00,000 (Nine Crore Fifty Lakhs) Equity Shares of Rs. 10/- each and 2,50,00,000 (Two Crore Fifty Lakh) Preference Shares of Rs. 10/- each and such Preference Shares may be either convertible into equity or non-convertible, cumulative or non-cumulative, redeemable or non-redeemable and may carry such dividend as may be decided by the Board of Directors from time to time with power to increase or reduce or modify the capital and to divide all or any of the shares in the capital of the Company for the time being and to classify and reclassify such shares from the shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions, or restrictions as may be determined in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner and by such person as may for the time being be permitted under the provisions of the Articles of Association of the Company or legislative provisions for the time being in force in that behalf."
10. To consider and, if thought fit, to pass, with or without modifications, the following resolution as SPECIAL RESOLUTION:  
"RESOLVED THAT subject to the approval of the Central Government and pursuant to sub-section (1B) of Section 314 the authority be and is hereby accorded to the Board of Directors of the company to appoint Shri Alok Ashok Jiwrajka holding office of profit under the Company, he being a relative of three promoter directors viz. Shri Ashok B. Jiwrajka, Shri Dilip B. Jiwrajka and Shri Surendra B. Jiwrajka, as per the terms and conditions mentioned in a statement and submitted to this meeting.

By Order of the Board

Registered Office:  
B-43, Mittal Tower, Nariman Point,

Mumbai: June 25, 2002

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



## NOTICE

### 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/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 19th day of September, 2002 to 27th September, 2002 (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 20th September, 2002.
5. Members are requested to notify immediately any change in their address to the Transfer Agent M/s INTIME SPECTRUM REGISTRY 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 Company has already transferred the unclaimed Dividend, declared upto the financial year ended 31<sup>st</sup> March, 1995 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978.

Pursuant to the amendment to the Companies Act, 1956 the unpaid dividends that are due for transfer to the Investor Education and Protection Fund are as follows:

Date of Declaration	For the year ended	Due for Transfer on
14.08.1996	31.03.1996	21.09.2003
23.09.1997	31.03.1997	30.10.2004
22.08.1998	31.03.1998	29.09.2005
23.09.1999	31.03.1999	30.10.2006
20.10.2000	31.03.2000	27.11.2007
25.09.2001	31.03.2001	30.10.2008

Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company's Registrar and Share Transfer Agent M/s. INTIME SPECTRUM REGISTRY LIMITED, 260 A, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (West), Mumbai - 400 080, Tel.No:5672716/5684590; Fax No.5672693.

8. As per the recommendation of the SEBI Committee on Corporate Governance for appointment of the Directors/re-appointment of the retiring Directors, a statement containing details of the concerned Directors is attached herewith.
9. Equity Shares of the Company are listed on the following Stock Exchanges:
 

The Stock Exchange, Mumbai Phiroze Jeebhoy Towers, Dalal Street, Fort, Mumbai-400001	Madras Stock Exchange Limited Exchange Building, Post Box No. 183, 11, Second Line Beach, Madras - 600 001.
National Stock Exchange of India Limited, Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, "G" Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.	The Delhi Stock Exchange Association Limited, DSE House, 3/1, Asaf Ali Road, 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, 2003.
10. 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.
11. Income Tax will be deducted at source from dividend payable to shareholders except in case of shareholders who are resident individuals and whose dividend amount payable during a financial year does not exceed Rs.1,000/- Therefore, other resident individual shareholders, who intend to seek exemption from deduction of Income-tax at source, are requested to submit a declaration in Form 15G in DUPLICATE duly completed in all respects or Tax Exemption certificate issued by Income-Tax officer, at the Registered Office or Share Department of the Company on or before 20<sup>th</sup> September, 2002.
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

Registered Office:  
B/43, Mittal Tower, Nariman Point,

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



## NOTICE

Mumbai: June 25, 2002

### ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENTS PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

#### Item No.6

Section 224A of the Companies Act, 1956 provides that in the case of a Company in which not less than 25% of the subscribed share capital is held whether singly or in any combination, by

- a) a public financial institution or a Government Company or Central Government or any State Government, or
- b) any financial or other institution established by any Provincial or State Act in which a State Government holds not less than 51% of the subscribed capital, or
- c) a nationalised bank or an insurance company carrying on general insurance business;

the appointment or re-appointment at each Annual General Meeting of an Auditor or Auditors shall be made by a Special Resolution.

The total share capital held by public financial institutions and nationalised banks are over 25% of the subscribed share capital of the Company. It is therefore necessary that the re-appointment of Auditors should be made by a Special Resolution.

As required by this section, the Auditors of the Company have already forwarded a certificate to the Company stating that the re-appointment if made, will be within the limit specified in sub-section (1B) thereof.

The Directors recommend the resolution for approval of the shareholders.

None of the Directors of the Company is concerned or interested in the resolution.

#### Item No.7

The fully convertible debentures issued by the company on rights basis last year are coming up for conversion as per the terms of the Letter of Offer dated April 26, 2001.

The new equity shares arising out of the aforesaid conversion will increase the subscribed, issued and paid up capital of the company. The authorised capital of the company would have to be accordingly enhanced to accommodate the increase in equity capital.

The Board of Directors therefore recommend the enhancement of the Authorised Capital of the Company from the present Rs.80,00,00,000.00 (Rupees Eighty Crores only) to Rs.120,00,00,000.00 (Rupees One Hundred Twenty Crores only) by the addition of 4,00,00,000 (Four Crore) Equity Shares of Rs.10/- each.

None of the Directors of the Company is concerned or interested in this resolution.

#### Item Nos.8 & 9

The present Authorised Capital of the Company is Rs.80,00,00,000.00 (Rupees Eighty Crores only) divided into 5,50,00,000 equity shares of Rs.10/- each and 2,50,00,000 preference shares of Rs.10/- each. It is now proposed to increase the Authorised Capital from Rs.80,00,00,000.00 (Rupees Eighty Crores only) to Rs.120,00,00,000.00 (Rupees One Hundred Twenty Crores only) with the addition of 4,00,00,000 (Four Crore) equity shares of Rs.10/- each.

This is to accommodate issue of equity shares to the FCD holders upon conversion of SFCDs held by them into equity shares mentioned at item no.7 above. Consequently the Clause V of the Memorandum and Article 3 of the Articles of Association of the Company are required to be amended. The Resolutions at item nos. 8 and 9 are therefore, placed for approval of the members.

None of the Directors of the Company is concerned or interested in these resolutions.

#### Item No.10

The members may note that Shri Alok Ashok Jiwrajka, relative of Shri Ashok B. Jiwrajka, Shri Dilip B. Jiwrajka and Shri Surendra B. Jiwrajka - promoter directors of the Company, was appointed as Head Garments with effect from 01.01.2002 in the Garment Division of the Company at a remuneration of Rs.19,600.00 per month. Under Section 314 of the Companies Act, 1956 appointment of a relative of any director to an office or place of profit in the Company requires approval of the members in a General Meeting and if need be, the approval of the Central Government. Hence your Directors recommend the resolution at item no.10 for approval of the members.

Apart from Shri Ashok B. Jiwrajka, Shri Dilip B. Jiwrajka and Shri Surendra B. Jiwrajka, none of the other directors of the Company is, in any way concerned or interested in this resolution.

By Order of the Board

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

Registered Office:  
B/43, Mittal Tower, Nariman Point,  
Mumbai: June 25, 2002





## DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT

### DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT IN ANNUAL GENERAL MEETING FIXED ON 27<sup>TH</sup> SEPTEMBER, 2002

Name of Director	Mr. Shailesh H. Bathiya	Mr. Ashok B. Jiwrajka	Mr. Dilip B. Jiwrajka
Date of Birth	08.06.1955	09.10.1956	07.10.1950
Date of Appointment	31.08.1995	12.03.1986	12.03.1986
Expertise in specific functional areas	Chartered Accountants	Businessman	Businessman
Qualifications	Chartered Accountant	B.Com	B.Com & Diploma in Business Entrepreneurship and Management
List of outside Directorship held excluding Alternate Directorship and of Private Companies	Ashapura Minechm Ltd. Aditya Medisales Ltd.	Grabal Alok Impex Ltd. Alok Knit Exports Ltd. Alok I-Tec Ltd. Globus E-Commerce Ltd.	Grabal Alok Impex Ltd. Alok Knit Exports Ltd. Alok I-Tec Ltd. Globus E-Commerce Ltd.
Chairman/Member of the Committee of Board of Directors of the Company.	Nil	Nil	Member : Project Monitoring Committee ;
Chairman/Member of the Committee of the Board of Directors of other Companies in which he is a Director	Nil	Audit Committee Remuneration Committee Nil	Nil



## CHAIRMAN'S COMMUNICATION

My dear fellow shareowners,

I have great pleasure in welcoming you all to the 16<sup>th</sup> Annual General Meeting of the Company and presenting the financial performance for the year 2002.

The concerns of the global meltdown as a consequence of certain ill-fated events has reduced substantially and the Indian market has proved its ability to tackle crisis with resilience. The confidence of consumers, both local and international is increasing as evident from the increase in consumer demand and external interest in the country.

Our country has strong macro fundamentals. The inflation rate is modest, current balance is surplus, external reserves are healthy and the manufacturing sector is set for growth at a higher pace. The economic liberalisation has enforced accountability in the market place. The prospects of a company depend not only on high productivity, efficiency and quality, but also increasingly on its ability to enhance the perceived value of its products and capture this value from its customers.

The reform process has well and truly provided a fillip to the economy. The country now needs to gear up for global competitiveness. Your company today is a dominant force in the segments in which it operates and will strive to increase competitiveness through technology, efficiency and cost rationalisation.

Last year, in the annual report published by your Company, I had mentioned about the expansion and modernisation drive undertaken by your Company. I am pleased to report that the expansion of the weaving, knitting and processing capacities have been completed and the benefits of these projects have started accruing to the company.

I can say with a sense of satisfaction that the year under review registered moderate growth in both sales and profits. Sales increased from Rs. 444.64 crores to Rs. 566.43 crores, an increase of 27.39%. Exports increased by 15.52% from Rs. 18.74 crores to Rs. 21.65 crores. Net profit after tax increased from Rs. 29.47 crores to Rs. 37.91 crores, a rise of 28.64%.

With the commencement of the new processing plant at Vapi, which has facilities for processing of wider width fabrics (upto 3 meters), your Company is now strategically placed to foray into the high value added segment of home textiles and furnishings. The home textile/ made up sector has very good export potential and with the dismantling of quotas, this sector is poised for a surge in growth. India has abundant growth of long staple cotton, which is used for fine count sheeting and bed-sheets. Fine count sheetings mainly include products in the range of 40's to 2/100's count. The other competing countries like China and Pakistan have comparatively less growth of long staple cotton and this provides India with a vital edge for manufacture wider width fabrics. Your Company already has wider width looms and is thus ideally placed to capitalise on this growth opportunity

Your Company is already into the ready-made garment sector as a forward integration measure with knitted garments for ladies and gents in the domestic market. Your Company is now setting up a garment unit at Navi