



Quest for Excellence

We are a professionally managed company, catering to the needs of the Global Textile Industry.

We have modern state-of-the-art facilities for Weaving, Knitting, Processing, Embroidery, Garmenting, Home Textiles and Texturising providing total solutions for the Global textile Industry.

With more than a decade of dedicated involvement with the Textile Industry, our core competency lies in assuring 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 adopt 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.

CONTENTS

Board of Directors	9
Other Information	10
Chairman's Message	11
Financial Highlights, Key Ratios and Charts	12
Notice	22
Directors' Report	28
Practising Company Secretarial Compliance Certificate	34
Management Discussion and Analysis	35
Corporate Governance Report	39
Auditors' Report	45
International Accountants' Report	47
Balance Sheet, Profit and Loss Account,	50
Cash Flow Statement and Schedules	52
Balance Sheet Abstract	71
Reconciliation of Net Profit determined under Indian GAAP with the Net Income in accordance with International Financial Reporting Standards.	72
Shareholder's Information	80
Health, Safety and Environmental Policy	84
Alok's Philosophy	85



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



Ashok Kumar
Nominee Director of
Industrial Development
Bank of India



M. C. Verma
Nominee Director of
UTI Asset Management
Company Private Limited
(erstwhile Unit Trust of India)



K. J. Punnathara
Nominee Director of
Life Insurance
Corporation of India



K. C. Jani
Nominee Director of
Industrial Development Bank
of India



A. K. Bhan
Nominee Director
of IFCI Limited

OTHER INFORMATION

Bankers

Andhra Bank
Bank of India
Development Credit Bank Limited
ING Vysya Bank Limited
Punjab National Bank
State Bank of India
State Bank of Hyderabad
State Bank of Bikaner & Jaipur
State Bank of Patiala
State Bank of Indore
Standard Chartered Bank
Syndicate Bank
The Jammu & Kashmir Bank Limited
The Karur Vysya Bank Limited
The Federal Bank Limited
United Bank of India

Statutory Auditors

Gandhi & Parekh
Chartered Accountants

International Accountants

Deloitte Haskins & Sells
Member – Deloitte Touche and Tohmatsu
International (DTTI)

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 and
National Stock Exchange of India Limited

Share Transfer Agents

Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
L B S Marg,
Bhandup (West),
Mumbai-400 078.

ISIN for dematerialisation of shares

INE 270A01011

Website Address

www.alokind.com

E-mail Address

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

- a) Babla Compound, Kalyan Road,
Bhiwandi – Dist. Thane
- b) Survey No.17/5/1 & 521/1, Rakholi/Saily, Silvassa,
Union Territory of Dadra & Nagar Haveli.

Processing

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

Knitting

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

Texturising

- a) Survey No.103/2, Rakholi, Silvassa,
Union Territory of Dadra & Nagar Haveli
- b) Survey No.521/1, Village Saily, Silvassa
Union Territory of Dadra & Nagar Haveli



CHAIRMAN'S MESSAGE

Dear Members,

It gives me great pleasure to welcome you all to the Seventeenth Annual General Meeting of Alok Industries Limited.

The Indian economy is witnessing strong signs of all round revival in light of the anticipated improved agricultural performance due to a healthy monsoon and a sustained rise in industrial activity. The revival was accompanied by continued macroeconomic stability in terms of low inflation, orderly currency market conditions and comfortable reserves.

During the year 2002-03, the total turnover of your company registered an increase of 40.70% to Rs.795 crores from Rs.565 crores in the previous year. Similarly, Profit Before Tax during the year was Rs.59 crores as against Rs.42 crores in the previous year, an increase of 40.47%.

I am greatly pleased to report that your company now possesses the facilities to manufacture products covering the entire spectrum of the textile value addition chain from grey woven and knitted fabrics to garments and made-ups. Your company's continuous wider width processing plant at Vapi can be considered as amongst the finest in terms of technology and size. Your company's weaving and knitting plants at Silvassa are equally modern and well equipped to feed the processing plants at Vapi and Navi Mumbai with quality grey fabrics for world class finished fabrics. The capacities and technical ability of the plants to handle a variety of fiber mix and order size provide your company with a significant advantage in terms of competitive pricing and flexibility to produce a wide range of apparel fabrics and home textiles. Your company's thrust on direct exports is rapidly gaining momentum and the export turnover in the current fiscal and future years is expected to grow considerably. Your company is well placed with a decisive edge to capitalize on the opportunities presented by the post WTO era.

Our strong belief and profound understanding leads us to continuously and rapidly progress as a corporation and respond to the needs of the textile world as a responsible organisation.

Budget 2002-03 seems to have accorded textiles the attention it deserves in view of its dominant role in the Indian economy and the potential the segment has in positively influencing other industrial, agricultural and services segments.

The Indian textile sector contributes around 3% to the GDP, has a share of 14% in the total manufacturing sector and contributes around 27% of foreign exchange earning. This sector employs about 90 mn (direct and indirect) employees. The total turnover of the Indian textile industry is estimated at around Rs.1700 billion. The sector contributes around Rs.60 billion in the form of excise duty collections of the total excise revenues of the government. The growth of this industry therefore has a significant bearing on the development of the overall economy.

With the opening of this industry in the wake of post-WTO, a huge market would be available and our country will have an opportunity to increase her share from a small 3.1% to 7.5% by 2010 i.e. from USD 13 bn to USD 50 bn. In order to realise this, however, the Indian Textile Industry has to take a pragmatic view of the prevailing scenario and move speedily ahead with expansion and modernisation programmes. Enhancing production, quality and being competitively priced would be the crucial factors in the post-GATT era.

Given the entrepreneurial skills India possesses, coupled with liberalised government policies and facilitating government role, it should not be difficult for the Indian Textile Industry to cope with the challenges in the international textile market and carve out a greater market share in tomorrow's global textile trade.

We, at Alok, firmly believe that the Indian textile industry, in general and your Company, in particular, is well placed to capitalise on the opportunities and ensure sustained growth in the coming years.

On behalf of the Board of directors of the Company and on my behalf I thank every shareholder and customer of the Company for their continued patronage and support and look forward to even greater support and cooperation in the coming years. I also place on record my appreciation to the staff of the Company at all levels for the effective and dedicated services and sharing the Company's corporate objectives and working towards their realisation.

Thank you,

ASHOK B. JIWRAJKA
EXECUTIVE CHAIRMAN

FINANCIAL HIGHLIGHTS

(Rs. in Crores)

Particulars	2002-03	2001-02	2000-01	1999-00	1998-99
Operating Results					
Net Sales	795.41	564.97	443.29	322.17	238.18
Operating Profit	137.14	98.14	76.21	60.87	44.70
Depreciation	25.42	15.74	11.10	8.79	6.24
Misc. Exp. W/off	0.85	0.78	0.77	0.75	0.67
PBIT	110.87	81.62	64.34	51.33	37.79
Interest	51.51	39.17	32.37	28.45	21.58
PBT	59.36	42.45	31.97	22.88	16.21
PAT	42.31	37.91	29.47	21.38	14.96
Cash Profit	68.58	54.43	41.34	30.92	21.87
Dividend	7.04	3.21	3.58	4.65	5.47
Net Cash Accruals	61.54	51.22	37.76	26.27	16.40
Financial Position					
Equity Share Capital	87.69	42.29	28.35	27.82	23.64
Reserves & Surplus	162.73	142.85	105.63	77.67	49.44
Miscellaneous Expenses	1.15	2.00	2.50	2.63	3.24
Tangible Network	249.27	183.14	131.48	102.86	69.84
Deferred tax liability	36.33	2.64	0.00	0.00	0.00
Share Application Money	0.00	0.00	0.00	3.00	1.35
Secured Fully Convertible Debentures	0.00	51.03	13.00	0.00	0.00
Application money for FCDs	0.00	0.00	16.48	10.95	0.00
Quasi Network	285.60	236.81	160.96	116.81	71.19
Gross Fixed Assets	453.59	355.04	227.89	144.94	130.08
Net Fixed Assets	380.39	307.30	195.83	123.99	116.75
Total Assets	977.61	734.15	521.53	390.47	298.63
Secured long term loans	290.50	227.42	156.12	116.45	106.86
Unsecured loans	50.38	27.64	18.12	8.79	8.51
Total Term Borrowings	340.88	255.06	174.24	125.24	115.37
Current Assets	593.15	422.85	321.64	262.42	177.82
Current Liabilities & Provisions	142.84	95.83	75.39	64.35	43.77
Working Capital Borrowing	203.29	140.85	104.72	81.23	52.96
Total Current Liabilities	346.13	236.68	180.11	145.58	96.73
Net Working Capital	247.02	186.17	141.53	116.84	81.09
EPS	7.36	11.77	10.39	8.91	8.98
CEPS	12.07	17.45	14.58	12.90	13.39
BOOK VALUE	28.43	43.31	46.38	36.97	29.54



KEY RATIOS

Particulars	2002-03	2001-02	2000-01	1999-2000	1998-99
Operating Profit Margin (%)	17.24%	17.37%	17.19%	18.89%	18.77%
Profit before Tax Margin (%)	7.46%	7.51%	7.21%	7.10%	6.81%
Profit after Tax Margin (%)	5.32%	6.71%	6.65%	6.64%	6.28%
Return on Tangible Networth (%)	16.72%	20.28%	21.78%	18.57%	18.37%
Return on Capital Employed (%)	14.03%	13.37%	14.61%	15.59%	14.97%
Balance Sheet					
Debt - Equity*	1.19	1.08	1.08	1.07	1.62
Current Ratio	1.71	1.79	1.79	1.80	1.84
Liquid Ratio	0.91	0.95	0.96	1.00	0.98
Coverage					
PBDIT/Interest	2.66	2.51	2.35	2.14	2.07
FACR (Net Fixed Assets/Secured Loans)	1.48	1.55	1.25	1.06	1.09
W/Capital Turnover Ratio	0.31	0.33	0.32	0.36	0.34
* Based on Quasi Networth					

LABORATORY EQUIPMENTS



Color Solution and Dispensing System-Datacolor



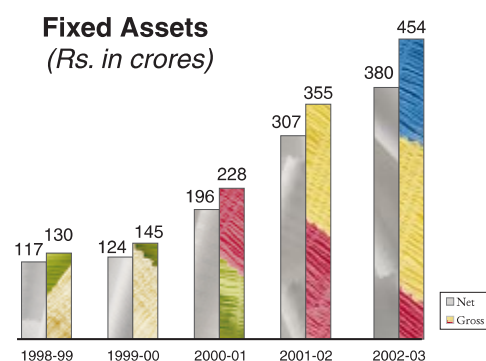
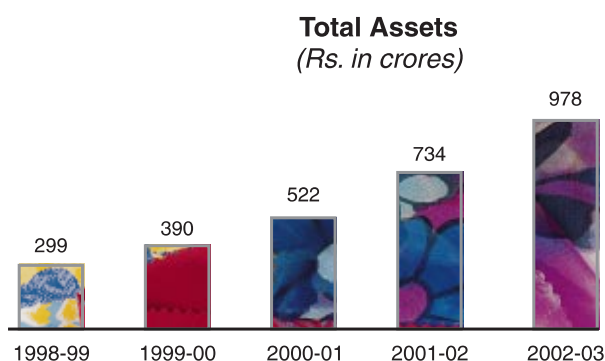
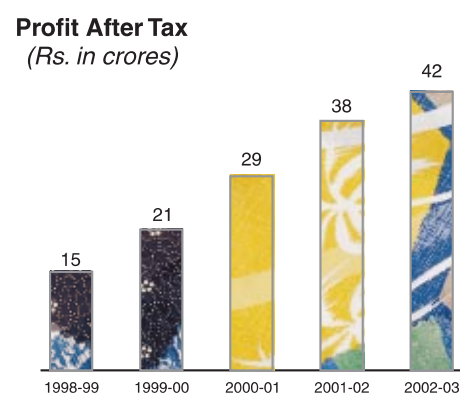
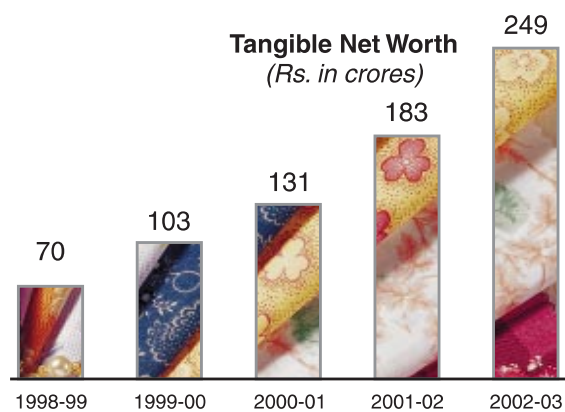
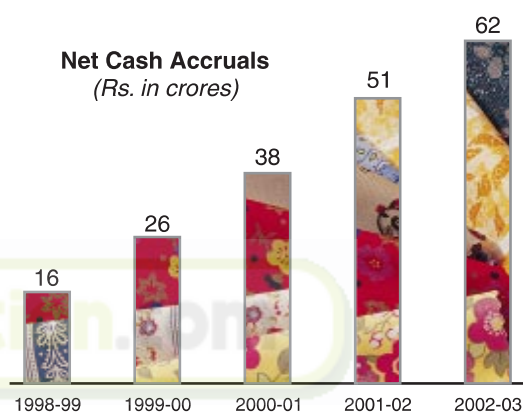
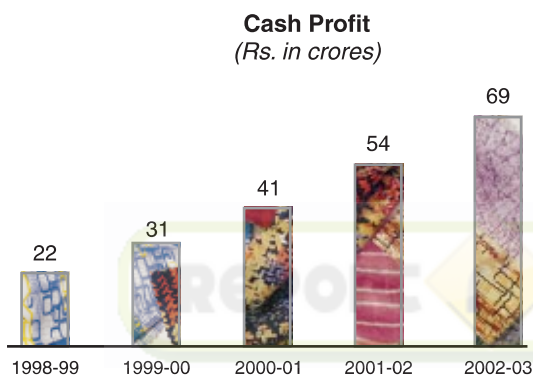
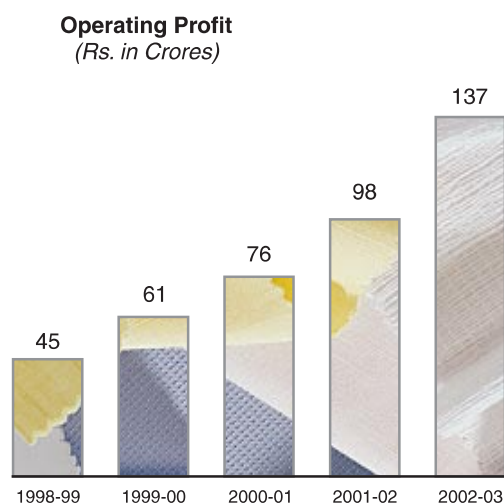
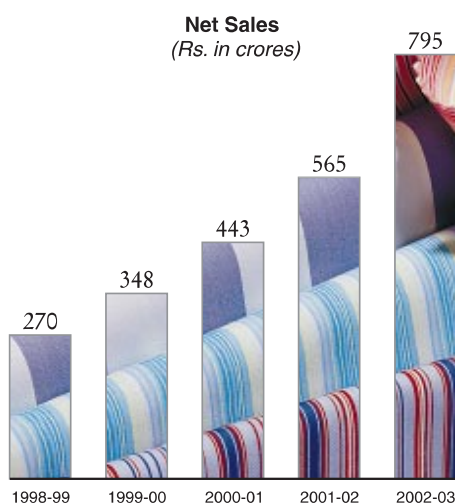
Pilling and Abrasion Tester- James Heal



Continuous Dyeing Sampling Machine-Werner Mathis



CHARTS



NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the members of **ALOK INDUSTRIES LIMITED** will be held on Tuesday, the 30th day of September, 2003 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.

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2003, 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 Surendra B. Jiwrajka who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Chandrakumar Bubna who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. 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.

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 the applicable guidelines of the Securities and Exchange Board of India (SEBI) and all other applicable laws, rules, guidelines, regulations, provisions, if any, of other securities, and which may become applicable hereafter, governing the matter, approval of the Company be and is hereby accorded to the delisting of the shares of the Company from any one or more of the Stock Exchanges where the Company's shares are listed and in particular, the following Stock Exchanges:

- i) The Stock Exchange, Ahmedabad;
- ii) The Delhi Stock Exchange Association Limited; and
- iii) Madras Stock Exchange Limited

at such time as the Board of Directors (whether acting through Board, a Committee of the Board or any Director or any person authorized by the Board) may, in their absolute discretion, consider appropriate and proper without giving an exit option to the shareholders of the regions where the aforesaid Stock Exchanges are situated and on the terms and conditions as may be stipulated and mutually agreed to in the best interests of the Company, after taking into account various factors such as but not limited to the incidence, impact or burden of the cost of listing fees payable to the Stock Exchanges and the volume of trading on the relevant Stock Exchanges.”

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

“RESOLVED THAT pursuant to the provisions of section 198, 269, 309 and 310 read with Schedule XIII to the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force) the Company hereby approves the re-appointment of Shri Ashok B. Jiwrajka, Shri Dilip B. Jiwrajka and Shri Surendra B. Jiwrajka as Whole-time Directors designated as Executive Chairman, Managing Director and Executive Director of the Company respectively for a period of five years with effect from 10th March, 2003 on the terms and conditions including salary, perquisites, allowances and commission as are set out in the Agreements entered into between the Company and the said Shri Ashok B. Jiwrajka, Shri Dilip B. Jiwrajka and Shri Surendra B. Jiwrajka, placed before the meeting, which Agreements are hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or Agreement, as may be varied by the General Meeting, but so as not to exceed the limits, if any, specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto.”

“RESOLVED FURTHER THAT where in any financial year closing on and after 31st March, 2003, the Company has no profits or its profits are inadequate, the Company do pay to Shri Ashok B. Jiwrajka, Shri Dilip B. Jiwrajka and Shri Surendra B. Jiwrajka, remuneration by way of salary, perquisites and allowances not exceeding the ceiling limit specified under Section II of Part II of Schedule XIII to the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force).”

By Order of the Board

K.H. Gopal

Vice President (Legal)
Company Secretary

REGISTERED OFFICE:

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

Mumbai: September 6, 2003