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## CORPORATE DIRECTORY

### Unit I

#### Window Covering Products

A-3, Loni Road Industrial Area  
Ghaziabad - 201007.

### Unit II

#### Home Furnishings

B-2, Loni Road Industrial Area  
Ghaziabad - 201007.

### Unit III

#### Vista Floor Fashions

A-2, Loni Road Industrial Area  
Ghaziabad - 201007.

### Unit IV

An Integrated Textile Unit having inhouse facilities of spinning, weaving, manufacturing of vegetables dye, fibre, fabric and yarn dyeing, processing and fabrication (made - ups)

57/2, Site-IV, Industrial Area, Sahibabad , Ghaziabad - 201010.

### Unit V

#### Vista Awnings

B-160-161, Mettupalayam  
Industrial Estate  
Pondicherry - 605009.

### MARKETING OFFICE

Delhi : F- 213/D, III Floor, Lado Sarai,  
M.B.Road, New Delhi - 110030

E-mail : sales@alpsindustries.com

Ph : 011-26532137-38

011-26532285-86

### REGIONAL OFFICES

Delhi : F- 213/D, III Floor, Lado Sarai,  
M.B. Road, New Delhi - 110030

E-mail : vista\_delhi@alpsindustries.com

Bangalore : 303, Ahuja Chambers, 3rd Floor,  
Kumar Krupa Road, Bangalore - 560001

Ph : 080-2256974, Fax : 080-2258780

Email : vista\_bng@alpsindustries.com

Mumbai : 3116 / 3117, Oberoi Estate  
Chandivli Farms Road, Chandivli,  
Andheri (E), Mumbai - 400072

Ph : 022-28522111, Fax: 022-28514744

Email : vista\_bby@alpsindustries.com

### REGISTERED OFFICE

B-2, Loni Road Industrial Area,  
Opp. Mohan Nagar,  
Ghaziabad - 201010.

### R&T AGENCY

Alankit Assignment Ltd.  
205-206, Anarkali Complex  
Jhandewalan Extn., New Delhi  
Ph : 011-51540060-64  
Fax : 011-23552001

### BANKERS

State Bank of India  
Bank of Baroda  
ABN Amro NV  
ING Vysya Bank Ltd.

### CORP. OFFICE & SHARE DEPTT.

57/2, Site-IV, Industrial Area, Sahibabad  
Ghaziabad - 201007.

### AUDITORS

R.K. Govil & Co.  
Chartered Accountants

### SECRETARY

Mr. Ajay Gupta

e-mail : alps@alpsindustries.com  
www.alpsindustries.com

**Mr. K.K. Agarwal**, Non-Executive Chairman, is a textile engineer and is the founder of the Company. He has a passion for textiles, and is blessed with great business acumen.

**Mr. Sandeep Agarwal**, Managing Director has inherited his father's dynamism as well as business acumen. He concentrates on Marketing and Business Development and has already made a name for himself for innovative thinking and bold decision making. He started his career with Alps by setting up the window coverings business. He was instrumental in negotiating and finalising technical collaborations with Levolor Corporation, U.S.A. and Franciaflex, France for window coverings. He has also played a major role in ensuring that Vista emerges as the undisputed market leader.

**Mr. G.K. Arora**, Director, is a retired I.A.S. Officer. He was Finance Secretary to the Government of India and Executive Director of International Monetary Fund.

**Mr. J.P. Kundra**, Director, is a former Managing Director of State Bank of India and also former Managing Director of State Bank of Bikaner & Jaipur, Ex-Vice Chairman of SBI Capital Market Ltd. and former Chairman of Banking Services Recruitment Board. He is a renowned figure in banking and financial circles in India.

**Mr. Rakesh Gupta**, Director, is a businessman operating out of India and holds sizeable equity in the Company.

**Dr. M.L. Gulrajani**, Director (Research & Development), is an eminent textile technologist. He is professor in the Department of Textile Technology and Dean of the Industrial Research & Development Unit at IIT, Delhi. Working jointly with IIT, Delhi & TIFAC (DST), Dr. Gulrajani, is the spirit and the inspiration behind the fully standardized eco-friendly natural dyes project.



## DIRECTORS' REPORT

Dear Members,

The Board of Directors has pleasure in presenting their 32nd Annual Report together with the Audited Financial Statements for the financial year ended on 31st March 2004.

### FINANCIAL RESULTS

(Rs. in Lac)

Particulars	Year Ended 31.03.2004	Year Ended 31.03.2003
Total Income	15469.64	13286.16
Profit before Financial Exp., Depreciation & Tax, and Extra Ordinary Items.	1910.95	1780.53
Profit before Depreciation and Tax, and extra ordinary items.	1318.52	1219.17
Depreciation (net after transfer from Revaluation Reserve)	513.88	486.58
Extra ordinary items	18.89	4.42
Provision for Tax	65.00	55.00
Profit from Operations	720.75	673.17
Deferred Tax	160.00	155.00
Profit After Tax	560.75	518.17
Prior year Adjustment	(1.93)	(90.67)
Add : Surplus of last year	602.65	388.83
<b>Surplus available for appropriation</b>	<b>1161.47</b>	<b>816.33</b>
<b>Appropriations</b>		
General Reserve	500.00	200.00
Proposed Dividend on Equity Shares	33.18	30.99
Dividend paid on Preference Shares	—	55.64
Debenture Redemption Reserve	—	(74.00)
Capital Reserve	—	(4.35)
Corporate Dividend Tax	4.25	5.40
<b>Surplus carried to Balance Sheet</b>	<b>624.04</b>	<b>602.65</b>
<b>Surplus available for appropriation</b>	<b>1161.47</b>	<b>816.33</b>

## PERFORMANCE

During the year under review, your company's turnover increased marginally from Rs. 133.11 Crores in the previous year to Rs. 155.03 crores. The Profit After Tax has increased from Rs. 5.18 crores in the previous year to Rs. 5.60 crores. The Net Profit Margin has marginally improved as a result of continuous efforts for higher productivity and efficiency at all levels.

At the macro level, the export market continues to face recession and higher competition due to China's bulk supplies at lower prices, increased cost consciousness in the US and European countries besides increasing free trade exports globally. There was also some uncertainty due to declaration of General Election in our country.

## BUSINESS OUTLOOK AND STRATEGY

Innovation of new products and adoption of new marketing strategies are necessary for growth and survival. Changing business circumstances are a way of life nowadays and each corporate has to adopt appropriate strategies to keep pace with changes.

In the "Vista" division of interior decorative, your company is introducing new concepts such as Venetian blinds like Classic, Dustguard, Sheerview, designer mix N' match, Motorised Venetian Blinds, Ailanto, Chenille Roll-ups and Romans, Logo, Kids Blinds and Aturons Window dressing products. The new products have special qualities like more strength, elongation and resistance from corrosion, and anti-static finish. In the window covering division, we also introduced patterned Vertical Blinds, Perforated Aluminum, and Ecoline, to add a touch of color and style to the windows, besides matching valances with a special touch of classic fabric. A graceful, innovative curtain system, Mistral, which is conceptually new, aesthetically glamorous and functionally effective, has also been introduced. In the area of Drapery rods we have added Wooden, Gold Finish Metal, Coral, Ferrona, Elan, Florence, Florid Rods Drapery Rods alongwith soft window accessories

We have also expanded our Pashmina products line by including hundred percent Pashmina Throws, Lightweight Pashmina shawls and scarves and also developed a business relationship with reputed UK based stores like TK MAXX, Connoisseurs, Austin Reed, Alders etc.

To further expand our international markets in the form of more buyers, we are planning to participate in International Textiles trade fairs in the current fiscal year.

Apart from selling high-end pashmina products, we have also strategically tapped the low-price bracket buyers by offering low-end viscose scarves shawls and fashion accessories. This concept has been well accepted by our US and European buyers. The activities of social organizations such as People For Animal Society, has increased the awareness against using animal based products (fur products) in the domestic and international market. This has, in a little way, contributed to develop the markets for our products.

In the Home Furnishing segment, the VHF cotton based co-ordinated range has already established its presence among the fashion-oriented consumers. Apart from other major addition in the product range, we have also added Fabrics for Auto Industries.

## FINANCE

During the period under review, the process of replacing high cost term loans with lower interest bearing loans has made its impact on the cost of funds to the company. The company has availed Term Loan from IDBI under TUFS/PFS schemes of Govt. of India, for modernization project, for the integrated textile unit situated at Sahibabad. The interest on the existing term loan under TUFS/PFS scheme has been reduced by IDBI at our request. The lead banker of the company, State Bank of India, has also reviewed the overall working capital requirements, and enhanced the same, in accordance with our requirements, under multiple banking arrangements.

## TECHNICAL REVIEW

Technical upgradation, modernization, quality betterment and innovation are areas that need constant attention in order to improve productivity and increase efficiency.

During the year under review, some major modifications in the plant and machinery in the Sizing department have been carried out including installation of Pressure Regulated System (PRS). In the spinning section, some new machines like Ring Frames, Draw Frames and Cards have been installed. These will help in smoother production processes.



## PROJECT OF NATURAL DYES

The company has successfully completed the project for development of Natural dyes in terms of technology but this has to be now marketed properly. Your Company has developed and standardized the typical shades of Herbal Gulal as a substitute for the normal toxic Gulal and Extraction of oleoresins, natural colors & essential oils from different plant material. There are also plans to explore Hair Dyes from different plant resources for coloring the hairs without using toxic chemicals like Para-Phenylene diamine. Technology to standardize the production of food color i.e. PAPOSSA, dyeing of coir, painting of bamboo has been successfully developed. The development of other new products like chlorophyll and Curcumin are under process.

## NEW PROJECTS

During the period under view, company has undertaken and implemented the expansion of made-up operation. The Company has setup a new unit in Special Economic Zone (SEZ), Noida for the manufacturing and trading activities related with Fabrics and Made ups. This arrangement will generate various benefits to the company for long run. These include major benefits like eligibility of DEPB to raw material suppliers, rental subsidy, and better accessibility for reputed overseas buyers.

Company is also analyzing the possibilities to commence operations in other states like Jammu & Kashmir and Assam to avail the benefits like notified Industrial/backward area benefits, Sales Tax/Excise/ exemptions, transport/R&D, capital investment, and power subsidies.

## ASSOCIATE PROJECT- CREATIVE BLENDS INC. USA

The subsidiary of the company was set up to tap new markets in USA, Canada, and Europe both for Home Furnishing and Fashion Accessories. But due to the overall recession in USA following the 9/11 terrorist attacks, this venture has not taken off as well as anticipated. The overseas operation had to be curtailed down. The management is keeping a close watch on these operations and will take all necessary steps to improve the working of this company .

## REVIEW OF INVESTMENTS

Your management periodically reviews the investments made in order to maximize the profitable utilization of surplus funds. After due consideration of all economic and other factors, the management has disposed off 7,00,000 Equity shares of Alps Texfab Private Limited and 2,00,000 Equity Shares of Improve Interiors . Com Limited for the best possible price. The investment of 5,000 units in the HDFC Mutual Fund (Formerly known as Zurich India Mutual Fund) has also been redeemed during the period.

## ACHIEVEMENTS

During the period under review, the company has participated in the various International and Domestic trade fairs/exhibitions and secured interest of buyers for the various products of the company. The ISO14001 & 9001 certification for the Environment Management System and Quality Management System respectively, has been maintained.

## HUMAN RESOURCES

The human resources of the company are invaluable and there is finally no substitute for human expertise and skill. This applies to both technical as well as non-technical fields. You company has made constant efforts to retain the best work force in the field.

The management has also strived to maintain cordial & harmonious relationships with workers at all levels in order to bring about a more congenial working environment. Labour is the backbone of any industry and is the force that converts technology into products.

The information required under Section 217(2A) of Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 duly amended by the Companies (Particulars of Employees) Rules, 1999 for the year ended 31st March, 2004 is not applicable to the company as none of the employee is drawing remuneration more than the limits specified under the said rules.

## ISSUE OF SECURITIES

In terms of the approval under section 81 & 81(1A) of the Companies Act 1956 for allotment of Equity shares upto 20.00 Lacs of Rs. 10/- each at a premium of Rs. 30/- each on preferential basis, at the Extra Ordinary General meeting held on 13th March 2003, company allotted 5.25 Lacs shares in June 2003. The company received Rs 210 lacs on this account, which has been deployed in working capital. The application for listing of these shares is pending with the stock exchanges/SEBI.

There has been a revival in the Indian Stock Exchange market in the last few months, after years of sluggishness in the country. Your company is examining the opportunity to raise funds from the capital market. The fund can be raised by means of a combination of a "Right Issue" and a Public issue in which appropriate reservation may be made for the different categories such as banks/Financial Institutions/mutual funds/foreign Institutional Investors/NRIs etc. as permissible by law and as per the capital market conditions. The total fund raising planned, including premium if any, is in the region of Rs. 50.00 Crores. This money will be used for expansion in the areas of textiles/architectural product, modernization of the plant and machinery, repayment of high cost term loans, development of new export markets including the diversification into various other products, and to develop overall corporate infrastructure. It will also help in the augmentation of the company's long-term funds, thus giving enough leverage to the company to build a much broader capital base. However, we are analyzing the suitable proposals for placement of Equity Shares/Preference shares of the company. There are different considerations for issue of Equity Shares on Rights/Public issue basis and/or for flotation of GDRs/ADRs in the overseas markets. Base on the expert advice of the capital markets intermediaries; the management feels that it is an appropriate time to access the capital markets for augmenting the long-term resources of the company. The exact dates will be decided in consultation with the capital market experts. The necessary approvals, under the provisions of the Companies Act 1956, have been obtained at the Extra Ordinary General meeting held on 24th May 2004.

## INVESTORS RELATIONSHIP

The Investors of the company are of prime importance to the company. In compliance with the SEBI circular and for improved services to the investors, company has appointed R & T agent for all type of securities and to resolve the grievances. The majority of shares of the company have been dematerialized to provide more liquidity. The company also plans to distribute the dividend through the network of ECS of Reserve Bank of India, if all the investors provide the required information.

In terms of the SEBI (Delisting of Securities) Guidelines-2003, the securities of the company has been delisted from The Uttar Pradesh Stock Exchange Association Ltd, Kanpur, The Stock Exchange, Ahmedabad, and The Delhi Stock Exchange Association Ltd., New Delhi w.e.f.28th November 2003, 22nd January 2004, and 8th March 2004 respectively, without affecting the interest of the investors. However the shares of the company will remain listed at The Stock Exchange, Mumbai and National Stock Exchange of India Ltd.

## RISK PREVIEW

To safeguard the assets of the company from unforeseen risks and natural calamities, company has taken adequate comprehensive insurance policies. Apart from the above, the Forex transactions have also been secured against the exchange fluctuation risks by hedging the deals as per the RBI guidelines.

## DIVIDEND

Your Directors are pleased to recommend a dividend of 5.00% for equity shareholders subject to the provisions of Income Tax Act and necessary approval from the members of the Company. A provision of Rs. 33.18 Lacs, has been made in the accounts, to give effect to this.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

Information as per Section 217 (1) (e), read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed as Annexure-1.





## **DIRECTORS**

Mr. G.K. Arora, Director of the Company, shall retire by rotation, pursuant to the provisions of Article No. 106, 107 & 108 of the Articles of Association of the company and Section 255/256 of the Companies Act, 1956, and being eligible offer himself for reappointment. The Board recommends his reappointment. A brief note in terms of the requirement of the Corporate Governance on the aforesaid Director has been included in Part -II of the Annexure-2.

There was no change in the Board of Directors of the company during the year under review.

## **DIRECTORS' RESPONSIBILITY**

In terms of Section 217(2AA) of the Companies Act, 1956, the members of the Board place on record the Directors' Responsibility Statement as under:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts on a going concern basis.

## **FIXED DEPOSITS**

During the year, your company has raised money by way of Fixed Deposits without invitation to the general public. As per the requirements under Section 58-A, 58-AA and any other provisions, rules and regulations as may be applicable from time to time. Information, as required under the Miscellaneous Non-Banking Companies (Reserve Bank) Direction 1977, is annexed.

## **AWARNESS OF CORPORATE GOVERNANCE**

The concept of Corporate Governance is being implemented as a process in line with International standards & Stock Market requirements to develop the investors' confidence. But it is the spirit of transparency in the corporate world, which cannot be transformed into rules & regulations only. Your company is committed to implement the Corporate Governances in its true spirit, as per the SEBI & Stock Exchange directions and adhere to the inherent spirit of proper disclosures. It improves the company's image in view of the valued investors and other banks/FIs. Your company has taken utmost care to comply with the mandatory and non-mandatory requirements of the concept. The various mandatory and non-mandatory information is annexed as Annexure-2.

## **AUDITORS**

M/s. R.K. Govil & Co., Chartered Accountants, the Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting of the Company and being eligible, have expressed their willingness to continue, if appointed. Your Directors recommend their re-appointment.

## **AUDITORS' OBSERVATIONS**

Observations in the Auditors' Report are dealt with in Notes to Accounts at appropriate places and being self-explanatory, need no further explanations. However, it is submitted that, as mentioned in the point No. IX (a) of the annexure to the Auditors' Report, by the Statutory Auditors, the statutory dues related with the labour laws became slightly irregular due to minor labour unrest because of shifting of operations to other location and some other unavoidable problems.

## APPRECIATIONS

Your directors wish to place on record their appreciation for the continuous support provided by company's bankers, Financial institutions, all the vendors and the dedicated/committed team of the employees at all levels. We also take this opportunity to thank all the valued customers, who have appreciated our products and have patronized them. Your directors convey their grateful thanks to the government authorities (Central & State), shareholders, distributors and dealers for their continued assistance, co-operation and patronage.

**For and on behalf of the Board**

Place : Ghaziabad  
Date : 30th June 2004

**(SANDEEP AGARWAL)**  
**MANAGING DIRECTOR**

## ANNEXURE TO THE DIRECTORS' REPORT

## ANNEXURE - 1

### (I) Statement of particulars pursuant to Companies (Disclosure of Particulars in the Report of Directors) Rules 1988.

#### 1. Conservation of Energy

- a. Energy conservation measures taken : During the period under review some of the major technology upgradation, like Pressure Regulated System (PRS) have been installed in sizing department, which will result in saving of Steam. The new Boiler has also become operational as a cost saving in fuel. We also have planed to acquire new Thermopac, modification of stentor machine etc. This will also result in cost saving. The new furnace oil based 1000 kva D.G. set is under installation stage. It will improve the efficiency of fuel consumption and quality of power.
- b. Additional investments and proposals,if any, being implemented for reduction of consumption of energy. : Rs. 136.55 lacs
- c. Impact of measures at (a) & (b) above for reduction of Energy consumption and consequent impact on the cost of production of goods. : The benefit to the company will accrue in near future by way of reduction in power cost and improvement in production capacity.
- d. Total Energy Consumption and Energy Consumption per unit of production are as follows: