



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.

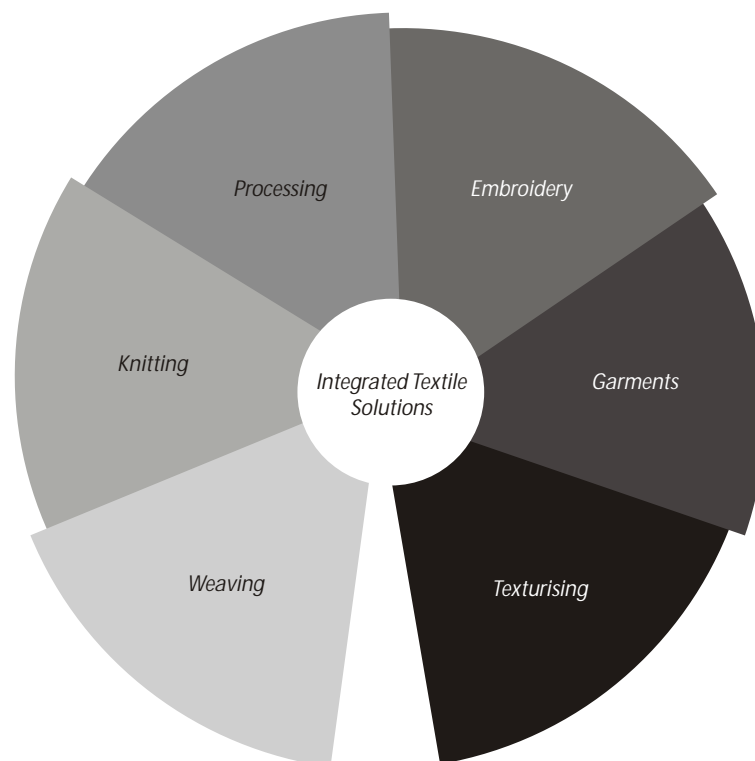
With more than a decade of dedicated involvement with the Gament Industry, our core competency lies in assuring garment manufacturers of quality, consistency and dependable delivery schedules at Internationally competitive prices.

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

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

- 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 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 31st 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 th 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 20th 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 27TH SEPTEMBER, 2002

Name of Director	Mr. Shaillesh 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



CHAIRMAN'S COMMUNICATION

My dear fellow shareowners,

I have great pleasure in welcoming you all to the 16th 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



CHAIRMAN'S COMMUNICATION

Mumbai, to cater mainly to the export market, which will be in operation shortly.

Having set up manufacturing facilities at par with the international standards so as to effectively compete in the post-WTO scenario, your Company is now targeting the global market for its future growth. Your Company's diversified product profile, stringent quality approach, value added segments, manufacturing flexibilities, modern technology and customised services has provided it with an edge in the segments that it operates in. The developed countries have started downsizing capacities in view of their higher cost of manufacturing vis-à-vis countries like India, Pakistan, China, Indonesia etc. This along with the phasing out of the quota regime provides your Company with a tremendous opportunity to penetrate developed markets and enhance export share in these markets. As part of its marketing strategy, your Company will now seek to establish a presence in the domestic market and also enhance direct exports apart from catering to the garment export trade, which will continue to be the focal area. We can look forward to your Company's reasonable increase in market share in the years to come.

The achievement of the past and the potential for the future would not have been possible without the hard work and dedication to serving customers demonstrated by all our employees. I would like to take this opportunity to place on record our gratitude to all of them for a job well done in intensely competitive circumstances.

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.

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

Ashok B. Jiwrajka
Executive Chairman

Mumbai: June 25, 2002



FINANCIAL HIGHLIGHTS

	(Rs. in crores)				
	2001-02	2000-01	1999-00	1998-99	1997-98
Operating Results					
Sales	566.43	444.64	356.51*	279.65*	196.71*
Operating Profit	101.72	76.21	60.86	44.70	26.94
Depreciation	15.74	11.10	8.79	6.24	3.35
Misc Exp w/off	0.78	0.77	0.75	0.67	0.21
PBIT	85.19	64.34	51.33	37.79	23.38
Interest	42.74	32.37	28.45	21.58	12.07
PBT	42.45	31.97	22.88	16.21	11.31
PAT	37.91	29.47	21.38	14.96	10.22
Cash Profit	54.43	41.34	30.92	21.87	13.78
Dividend	3.21	3.58	4.65	5.47	2.98
Net Cash Accruals	51.22	37.75	26.27	16.40	10.80
<i>*Includes Inter Division Sales</i>					
Financial Position					
Equity Share Capital	42.29	28.35	27.82	23.64	11.62
Reserves & Surplus	142.85	105.63	77.67	49.44	30.98
Miscellaneous Expenses	2.00	2.50	2.63	3.24	2.84
Tangible Net Worth	183.14	131.49	102.86	69.84	39.76
Share Application Money	-	-	3.00	1.35	1.13
Preference Share Capital	5.60	6.20	2.85	15.35	5.30
Gross Fixed Assets	355.04	227.89	144.94	130.08	105.25
Net Fixed Assets	307.30	195.83	123.99	116.75	98.15
Investments	4.00	4.06	4.06	4.06	4.07
Total Assets	734.15	521.52	390.48	298.64	212.14
Long Term Loans	227.42	156.12	116.45	106.86	85.79
Secured Fully Convertible Debentures	51.03	13.00	-	-	-
Total Secured Long Term Borrowings	278.45	169.12	116.45	106.86	85.79
Unsecured Loans	28.66	18.12	8.79	8.51	6.05
Application money for FCDs	-	16.48	10.95	-	-
Total Unsecured Loans	28.66	34.60	19.74	8.51	6.05
Deferred Tax Liability	2.64	-	-	-	-
Current Assets	422.85	321.64	262.42	177.82	109.92
Current Liabilities & Provisions	94.81	75.39	64.35	43.77	25.37
Working Capital Borrowings	140.85	104.72	81.23	52.96	48.74
Total Current Liabilities	235.66	180.11	145.58	96.73	74.11
Net Working Capital	187.19	141.52	116.84	81.09	35.81
EPS	8.96	10.39	8.91*	8.98*	8.80
CEPS	12.87	14.58	12.90*	13.39*	11.86
Book Value	43.31	46.38	36.97	29.54	34.22
<i>*on pro-rata basis</i>					

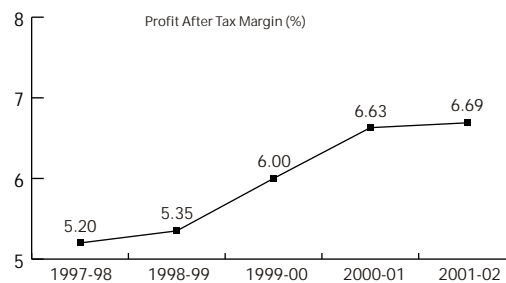
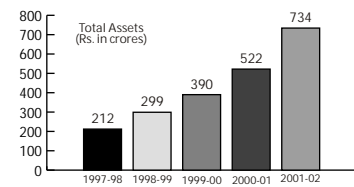
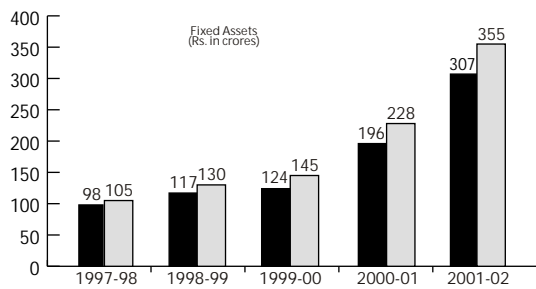
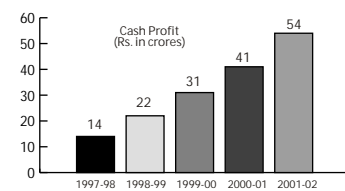
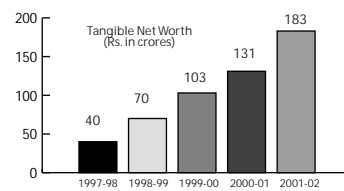
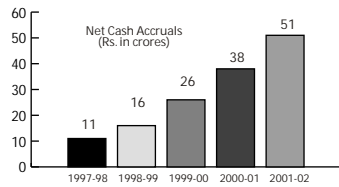
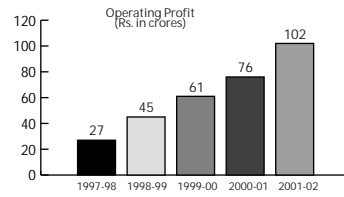
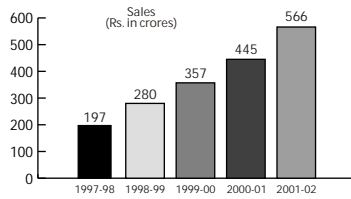


KEY RATIOS

	2001-02	2000-01	1999-00	1998-99	1997-98
Profitability					
Operating Profit Margin (%)	17.96	17.14	17.07	15.98	13.70
Profit before Tax Margin (%)	7.49	7.19	6.42	5.80	5.75
Profit after Tax Margin (%)	6.69	6.63	6.00	5.35	5.20
Return on Networth (%)	20.65	21.78	18.57	18.37	23.74
Return on Capital Employed (%)	13.85	14.61	15.59	14.97	12.70
Balance Sheet					
Debt - Equity	1.09	1.08 *	1.10 *	1.65	2.31
Current Ratio	1.79	1.79	1.80	1.84	1.48
Liquid Ratio	0.95	0.96	1.00	0.98	0.91
<i>* FCDs and Application money for FCDs included in Net worth being Quasi Equity</i>					
Coverage					
PBDIT/Interest	2.38	2.35	2.14	2.07	2.23
FACR (Net Fixed Assets/Secured Loans)	1.35	1.28	1.13	1.18	1.31
W/Capital Turnover Ratio	0.33	0.32	0.33	0.29	0.18



CHARTS





AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members

Alok Industries Limited

We have examined the compliance of conditions of Corporate Governance by Alok Industries, for the year ended 31st March, 2002 as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereto, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us we verify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that as per the records maintained by the Company, there were no investor grievances remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

For Gandhi & Parekh
Chartered Accountants

Devang B. Parekh
Partner



CORPORATE GOVERNANCE

Your Company is committed to achieve the highest standards of Corporate Governance.

Your Company has set new benchmarks in adequate and timely corporate disclosure. Your Company's corporate philosophy is to attain optimum levels of transparency, accountability and equity, in all facets of operations, and in all inter-actions with its shareholders, employees, the government and lenders.

All our operations are committed to enhance shareholder value, over a sustained period of time.

Your Company provides as a matter of regular practice, re-statement of its annual accounts under USGAAP.

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the report on the matters mentioned in the said Clause and practices followed by the Company:

1. Board of Directors

The Board of Directors has a mix of Executive and Non-executive Directors. The Board comprises of four Whole-time Directors the Chairman, the Managing Director and two Executive Directors and five Non executive Directors. All Non-Executive Directors are independent Directors. Accordingly, the composition of the Board is in conformity with the listing agreement.

All the directors are liable to retire by rotation as per the provision of the Companies Act, 1956.

Composition and category of Directors is as follows:

Category	Name of the Directors
Promoter/Executive Directors	Ashok B. Jiwrajka Dilip B. Jiwrajka Surendra B. Jiwrajka
Non-Promoter Executive Directors	Chandrakumar Bubna
Non-Executive and Independent Directors	Ashok G. Rajani K.R. Modi Shailesh H. Bathiya Sidharth Rath (Nomination withdrawn on 17.10.2001) Naresh Saluja (IFCI Nominee, appointed on 30.04.2002) Dr. Mukhopadhyay T.K. (Nomination withdrawn on 26.06.2002) Ashok Kumar (IDBI Nominee, appointed on 26.06.2002)



CORPORATE GOVERNANCE

Attendance of each Director at the Board meetings, last Annual General Meeting and Number of other Directorship and Chairmanship/Membership of Committee of Each Director in various companies:

Name of the Directors	Attendance Particulars		No. of other Directorships and committee member/chairmanship		
	Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Ashok B. Jiwrajka	06	Yes	10	2	2
Dilip B. Jiwrajka	06	Yes	9	4	1
Surendra B. Jiwrajka	04	Yes	9	3	-
Chandrakumar Bubna	02	Yes	2	-	-
Ashok G. Rajani	06	----	3	1	-
K. R. Modi	06	Yes	1	1	-
Shailesh H. Bathiya	04	----	5	-	-
Dr. Mukhopadhyay T. K.	03	----	1	2	1
Sidharth Rath	02	----	-	-	-

Number of Board Meetings held and dates on which held:

Six Board Meetings were held during the year, as against the minimum requirement of four meetings. Details of attendance of the Directors at the Board Meetings held during the year are as follows:

Director	Board Meetings held on					
	30 th Apr '01	2 nd July '01	31 st July '01	5 th Sept '01	31 st Oct '01	31 st Jan '02
Ashok B. Jiwrajka	✓	✓	✓	✓	✓	✓
Dilip B. Jiwrajka	✓	✓	✓	✓	✓	✓
Surendra B. Jiwrajka	-	✓	✓	✓	-	✓
Chandrakumar Bubna	-	✓	-	-	✓	-
Ashok G. Rajani	✓	✓	✓	✓	✓	✓
K. R. Modi	✓	✓	✓	✓	✓	✓
Shailesh H. Bathiya	✓	✓	✓	-	✓	-
Dr. Mukhopadhyay T. K.	-	✓	-	✓	-	✓
Sidharth Rath	-	✓	-	-	-	-

IFCI Ltd. withdrew the nomination of Shri. Sidharth Rath on 17.10.2001

The maximum time gap between any two meetings was not more than three calendar months.

2. Audit Committee

An Audit Committee was constituted in June 2001, which consists of three Independent/Non-Executive Directors and one Executive Director. The members of the committee are well versed in finance matters, accounts, company law and general business practices.

The composition of the Audit Committee is as under:

- A) Dr. Mukhopadhyay Tapan Kumar, Chairperson
- B) Mr. Sidharth Rath
- C) Mr. K. R. Modi and
- D) Mr. Dilip B. Jiwrajka



CORPORATE GOVERNANCE

The constitution of Audit Committee also meets with the requirements under Section 292A of the Companies Act, 1956.

Apart from the terms of reference as contained under Clause 49 of the Listing Agreement, other terms of reference of the Audit Committee include:

- a) To oversee the Company's financial reporting process and disclosure of its financial information
- b) To recommend the appointment of Statutory Auditors and fixation of the audit fee
- c) To ensure compliance of internal control systems and action taken on internal audit reports
- d) To apprise the Board on the impact of accounting policies, auditing standards and legislation
- e) To hold periodical discussions with statutory auditors on the scope and content of the audit
- f) To ensure compliance with the Stock exchange requirements
- g) To review the quarterly, half yearly and annual financial statements before submission to the Board of Directors.

3 Project Monitoring Committee

The Company has constituted Project Monitoring Committee of four directors with effect from 1st June 2000, which consists of two independent directors and two executive directors to deal with matters relating to new projects (expansion of weaving and processing facilities) of the Company.

4 Remuneration Committee

Remuneration of the Executive Directors is decided by the Board of Directors. The remuneration package is governed by industry pattern and as per the provisions of the Companies Act

Remuneration of employees largely consists of base remuneration, perquisites and performance incentives.

The components of the total remuneration vary for different cadres and are governed by industry pattern, qualifications and experience of the employee, responsibilities handled by him/her, individual performance etc.

None of the Directors received any Loans & Advances from the Company during the year.

Details of remuneration paid to all the Directors for the FY 2001-2002 are as follows:

Director	Relationship with other Directors	Business relationship with the Company	Loans & Advances received from the Company	Remuneration paid during 2001-2002 (in Rs.)			Total
				Sitting fees	Salary & Perks	Commission	
Ashok B. Jiwrajka	-----	-----	-----	-	28,80,000	90,000	29,70,000
Dilip B. Jiwrajka	Brothers	-----	-----	-	28,80,000	90,000	29,70,000
Surendra B. Jiwrajka	-----	-----	-	-	28,80,000	90,000	29,70,000
Chandrakumar Bubna	-----	-----	-----	-	28,80,000	90,000	29,70,000
Ashok G. Rajani	-----	-----	-----	30,000	-	-	30,000
K. R. Modi	-----	-----	-----	30,000	-	-	30,000
Shailesh H. Bathiya	-----	-----	-----	20,000	-	-	20,000
Dr. Mukhopadhyay T. K.	-----	IDBI Nominee	-----	15,000	-	-	15,000
Sidharth Rath	-----	IFCI Nominee	-----	10,000	-	-	10,000



CORPORATE GOVERNANCE

5. Shareholders/Investors' Grievance Committee

The Board of the Company has constituted an Executive Committee, which, amongst others, also looks after share transfers. The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with the securities transfers. The Committee also looks into redressing of shareholders' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. The Committee oversees the performance of the Registrar and Share Transfer Agents, and recommend measures for overall improvement in the quality of investor services.

The Board has designated K.H. Gopal, Vice President (Legal) and Company Secretary, as the Compliance Officer.

Other disclosures relating to this aspect has been furnished in the "Shareholder Information" section of the Annual Report.

6. General Body Meetings

Location and time for last 3 Annual General Meetings are:

Year	Location	Date	Time
1998-1999	ORT Simeon Seminar Centre,	23.09.1999	11.00 a.m.
1999-2000	ORT India Building,	20.10.2000	11.00 a.m.
2000-2001	68, Worli Hill Road, Worli, Mumbai-400018	25-09-2001	11.00 a.m.

7. Disclosures

Disclosure on materially significant related party transactions, i.e. transactions of the Company of material nature with its Promoters, Directors or the Management, or their subsidiaries or relatives that may have potential conflict with the interest of the Company at large

The transactions with related parties were undertaken in the normal course of business and were at terms & conditions, which were not prejudicial to the interest of the Company.

Details of non compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any Statutory Authority, on any matter related to capital markets, during the last three years

The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/strictures have been imposed against it in the last 3 years.



CORPORATE GOVERNANCE

8. Means of communication

Recommendation	Compliance
✓ <i>Quarterly results</i>	
<i>Which newspapers normally published in</i>	Business Standard, Free Press Journal and Nav Shakti
<i>Any Website, where displayed</i>	Yes
✓ <i>Whether it also displays official news releases and presentations made to institutional investors /analysts</i>	Yes
✓ <i>Whether MD&A is a part of annual report</i>	Yes
✓ <i>Whether Shareholder Information section forms part of the Annual Report</i>	Yes

9. General Shareholder Information

Detailed information in this regard is provided in the Shareholder Information section of this Annual Report.



COMPANY SECRETARY'S RESPONSIBILITY STATEMENT

The Company Secretary confirms that the Company has:

- a) maintained all the books of account and statutory registers required under the Act and the Rules made thereunder.
- b) filed all forms and returns and furnished all necessary particulars to the Registrar of Companies and/or Authorities as required by the Companies Act, 1956.
- c) registered all the particulars relating to creation, modification and satisfaction of charges in favour of Financial Institutions and Banks with the Registrar of Companies.
- d) issued all notices required to be given for convening of Board Meetings and General Meeting, within the time limit prescribed by law.
- e) conducted the Board Meetings and Annual General Meeting as per the Companies Act, 1956.
- f) complied with all the requirements relating to the minutes of the proceedings of the meetings of the Directors and the Shareholders.
- g) made due disclosures required under the Act including those required in pursuance of the disclosures made by the Directors.
- h) given loans and made investments in accordance with the requirements of the Act.
- i) obtained all necessary approvals of Directors, Shareholders, Central Government and other Authorities as per the requirements.
- j) effected share transfers and despatched the certificates within the statutory time limit.
- k) not exceeded its borrowing powers.
- l) paid dividend amounts to the shareholders and unpaid dividend amounts have been transferred to the General Revenue Account of the Central Government within the time limit prescribed.
- m) Appointed the Managerial Personnel in accordance with the provisions of Section 269 read with Schedule XIII to the Act.

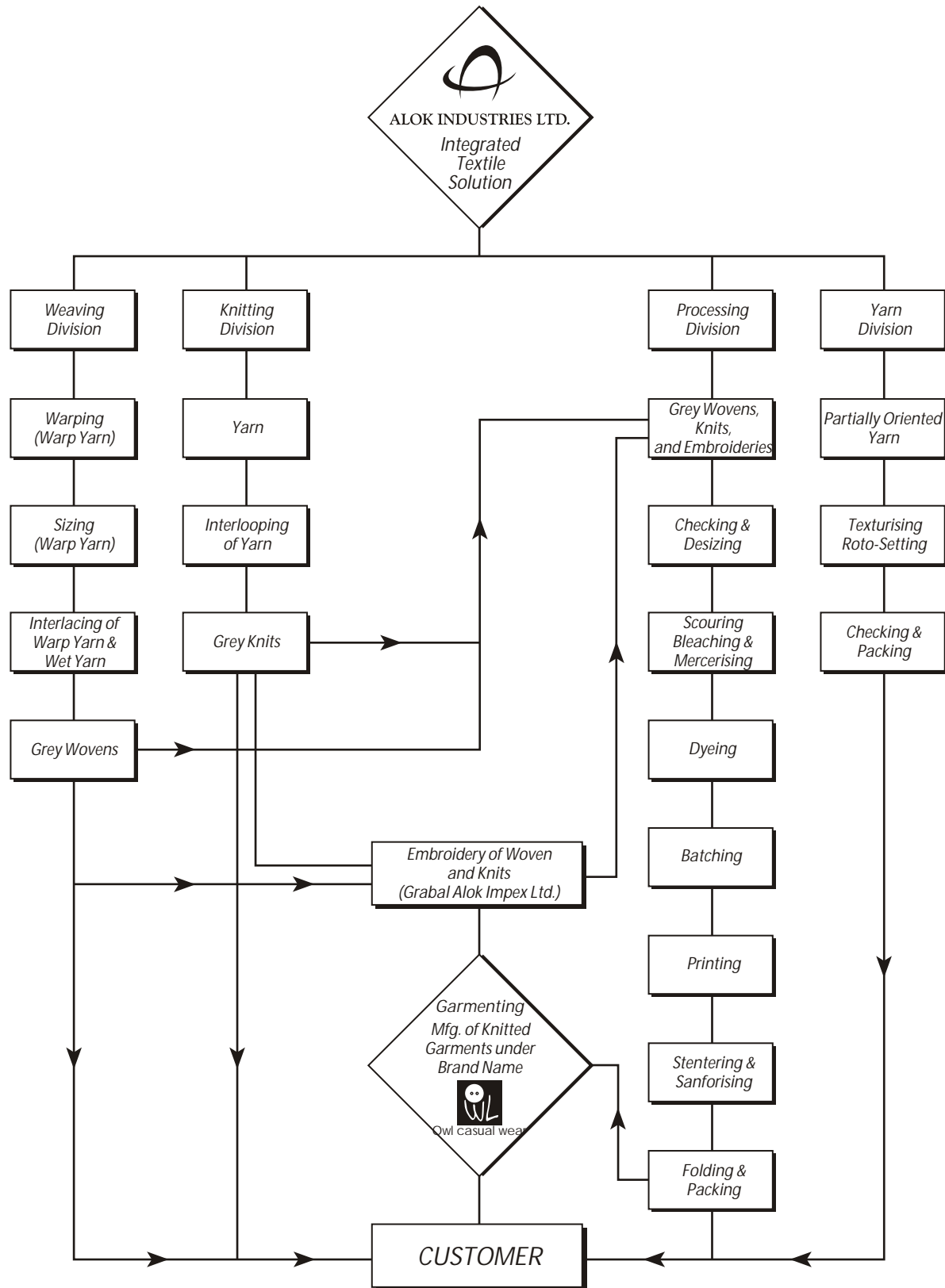
The Company has also complied with the regulations prescribed by the Stock Exchanges, SEBI and other Statutory Authorities and also the statutory requirements under the Companies Act, 1956 and other applicable statutes in force.

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

Mumbai: June 25, 2002



PROCESS FLOW CHART



* The embroidery and processing would be done depending on the customer's requirement.



MANAGEMENT DISCUSSION AND ANALYSIS

Forward-Looking Statements

This report contains forward-looking statements, which may be identified by their use of words like "plans," "expects," "will," "anticipates," "intends," "projects," "estimates" or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to, statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements.

Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis, of any subsequent developments, information or events.

Overall Review

The Company scaled new peaks and strengthened its position on all major financial parameters, including sales, profits, net worth and assets.

Sales

Break-up of revenues by business segments (excluding inter-divisional sales) is as follows:

Particulars	2001-02 Rs. in crores	2000-01 Rs. in crores	% Growth in Value	% Growth in Volume
Fabric	425.05	364.70	16.55	37.87
Knitting	60.83	31.54	92.88	35.08
Processing	30.01	8.13	268.84	
Yarn	49.23	40.00	23.08	5.75
Others	1.30	0.27	393.10	565.47
Total	566.43	444.64	27.39	35.33

As evident, all the segments showed positive growth. Sales increased 27.39% in the year ended March 31, 2002 to Rs. 566.43 crores, against Rs. 444.64 crores last year.

Sales growth of 27.39% during the year is mainly due to increased volumes as compared to the previous year.

Exports increased to Rs. 21.65 crores from Rs. 18.74 crores.

Other income decreased to Rs. 0.15 crores from Rs. 0.18 crores.

Costs & Expenses

Principal costs and expenses have been classified into materials consumed, operating expenses, employees' remuneration, administrative, selling and distribution expenses, interest and financing charges and depreciation.

Materials consumed increased 30.26% in 2001-02 to Rs. 447.68 crores, as compared to Rs. 343.68 crores in 1999-2000. This increase was in commensurate with the increase in sales.

Operating and other expenses increased 7.87% in 2001-02 to Rs. 35.65 crores, as compared to Rs. 33.05 crores in 2000-01

Employee remuneration in 2001-02 were Rs. 7.98 crores as against Rs. 5.74 crores in 2000-01



MANAGEMENT DISCUSSION AND ANALYSIS

Administration, selling and distribution expenses were Rs.7.30 crores, as compared to Rs.5.54 crores in 2000-01. The increase in expenses was in line with the increase in sales.

Interest and financing charges for 2001-02 were Rs. 42.74 crores as compared to Rs.33.26 crores in 2000-01. This increase was largely due to interest on term loans and working capital borrowings, which increased in commensurate with increase in operations.

Depreciation increased 41.80% to Rs. 15.74 crores as compared to Rs. 11.10 crores in the previous year due to increased Gross Block on account of expansion project being completed by the Company.

The Company's corporate tax liability for the year was Rs.3 crores, which was limited to the impact of the Minimum Alternate Tax (MAT).

No Provision for bad and doubtful debts was made during 2001-02.

Profit

Gross profit was Rs. 101.72 crores, an increase of 33.47 % over 2000-01 gross profit of Rs. 76.21 crores. Also, gross profit as a percentage of net sales increased to 17.96% in 2001-02 from 17.14% in 2000-01

Cash profit was Rs. 54.43 crores, an increase of 31.66 % over 2000-01 cash profits of Rs. 41.34 crores.

Net profit after tax for the year increased 28.63% to Rs. 37.91 crores, as compared to Rs. 29.47 crores in the previous year.

Earnings per share

EPS was Rs. 8.96 (previous year Rs. 10.39) and Cash earnings per share was Rs.12.87 (previous year Rs.14.58).

Gross Block

Gross fixed assets including Capital work-in-progress and expenditure during construction period as on 31st March 2002 were Rs. 355.04 crores as against Rs. 227.89 crores in 2000-2001.

Capital expenditure incurred during the year was Rs.127.59 crores. This is primarily due to the weaving and processing projects being implemented under Technology Upgradation Fund (TUFs).

Net Block of fixed assets, as on 31st March 2002 was Rs. 307.30 crores as against Rs.195.83 crores in 2000-2001.

Current Assets

The Company's current assets primarily consist of debtors, inventories, loans and advances and cash. The current ratio at the end of the year was maintained at 1.79.

The Company's cash and bank equivalents as at 31st March 2002 stood at Rs. 18.06 crores against Rs. 19.21 crores over previous year.

Debt- Equity Ratio

Debt equity ratio as on March 31, 2002 was 1.09, against 1.08 in the previous year. The debt-equity ratio improved on account of improved profitability and plugging back of profits.



MANAGEMENT DISCUSSION AND ANALYSIS

Capital Structure

The equity capital stood at Rs. 42.29 crores against Rs. 28.35 crores in the previous year. The change is due to conversion of Fully Convertible Debentures aggregating to Rs. 18 crores.

Details of outstanding instruments, convertible into equity are as follows:

56,70,098 14% secured fully convertible debentures of Rs.90 each.

The above Debentures will convert into equity on 5th December 2002 at a price equal to 80% of the average market price (mean of daily high and low prices) of the Company's scrip on the Stock Exchange, Mumbai during the 15th month from allotment with a lower cap of Rs.10/- and upper cap of Rs. 30/-.

Your Company proposes a dividend of 10% on equity shares constituting a dividend pay out of Rs. 3.21 crores for the year.

Details of Preference shares issued, redeemed and converted during the year are as follows:

		(Rs. in crores)
Opening Balance as on 1 st April 2001		6.20
Preference shares issued during the year:		
13.0% Lawkim Ltd	0.50	0.50
		6.70
Redemptions during the year:		
15% General Insurance Company	0.20	
15% Oriental Insurance Company	0.20	
15% National Insurance Company	0.20	
13.5% Lawkim Ltd	0.50	1.10
Closing Balance as on 31 st March 2002		5.60

Details of Fully Convertible Debentures issued, converted and repaid during the year are as follows:

		(Rs. in crores)
Opening Balance as on 1 st April 2001		13
Debentures issued during the year:		
14% Rights Issue	51.03	
16% Alok Knit Exports Ltd.	1.00	
16% IDBI	4.00	56.03
		69.03
Converted during the year:		
16% Alok Knit Exports Ltd.	1.00	
16% Development Credit Bank of India	2.00	
16% IDBI	9.00	
16% UTI Bank Ltd	6.00	18
Closing Balance as on 31 st March 2002		51.03



MANAGEMENT DISCUSSION AND ANALYSIS

Credit Ratings

The ratings assigned to the Company by different credit rating agencies are as follows:

August 2001	PR 1 + (SO) [PR one plus (Structured Obligation)] rating awarded by Credit Analysis & Research Limited for Secured FCDs of Rs.510.3 mn. The rating indicates "Superior capacity for repayment of short term promissory obligations".The payment of the interest on SFCD is guaranteed by UTI Bank Ltd.
August 2001	Coface India Credit Management Services Pvt. Ltd. has assigned Quality @rating label with the notation @@@ for the initial period ending 5 th August 2002.
September 2001	CARE "A-" (A minus) rating awarded by Credit Analysis & Research Limited for Secured NCDs of Rs. 100 mn. The rating indicates, "Upper medium grade instruments and have many favourable investments attributes. Safety for principal and interest are considered adequate. Assumptions that do not materialise may have a greater impact as compared to the instruments rated higher."
March 2002	FITCH Ratings India Private Limited have reaffirmed the Ind D-1 (Ind D one) rating for the Rs. 200 mn Commercial paper programme. It is a <i>High Grade</i> rating and indicates "Very high certainty of timely payment. Risk factor are minor."

Tangible Net Worth

The company's net worth as on 31st March 2002, stood at Rs.183.14 crores as against Rs. 131.48 crores in 2000-2001. This was primarily due to increase in profits and increase in share premium due to conversion of preference shares.

Adequacy of Internal Controls

Alok has in place, adequate checks and controls, well-defined roles and responsibilities for people at various levels. This, coupled with robust internal control and information systems ensures adequate checks and controls and appropriate information flow to facilitate effective monitoring. The management along with the internal auditors, on a regular basis, monitor, evaluate and take initiatives to improve the internal control systems prevalent in the Company.

There is a system in place for reviewing issues raised above as well as their implementation status. The Company also has in place a well-defined and integrated MIS that forms the basis for all management decisions such as the Planning and Budgeting, Capital Expenditure budgets and others.

Outlook

One of the major reasons for our success has been, the spreading of risk over different segments. 'Alok' is a multi-divisional company and each division is a separate segment of the textile industry. This peculiar nature ensures that at least one division records growth since the chances of all divisions performing badly is remote. Alok's manufacturing facilities are flexible enough to manufacture fabrics to suit the prevailing demand and fashion trends. The diversified presence of the Company in all market segments also ensures that the Company has enough demand throughout the year.

Our stress on leveraging emerging growth opportunities that offer scope for substantial value creation will be ceaseless. The Company will pursue emerging opportunities that emerge in the domestic and international markets from time to time.



DIRECTORS' REPORT

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Sixteenth Annual Report and the Audited Accounts for the financial year ended 31st March 2002.

Financial Results

Your Company's performance during 2002 is summarised below:

Particulars	<i>(Rs. in crores)</i>	
	2001-02	2000-01
Sales	566.43	444.64
Other Income	0.15	0.18
Total Income	566.58	444.82
Total Expenditure	465.65	369.38
Profit before interest, depreciation & taxes	100.93	75.44
Interest	42.74	32.37
Depreciation	15.74	11.10
Profit before tax and exceptional item	42.45	31.97
Provision for Taxation Current	3.00	2.50
- Deferred	1.54	-
Profit after Tax and before Exceptional item	37.91	29.47
Exceptional item & tax adjustments for earlier years	-	-
Balance in P/L A/c. brought forward	50.25	29.13
	88.16	58.60
Add: Transferred from Investment Allowance Reserve	-	0.22
Balance available for distribution	88.16	58.82

That the Directors recommend for appropriation is as under:

Dividend	3.21	3.58
Tax on Dividend	0.05	0.57
Transfer to Debenture Redemption Reserve	-	0.66
Transfer to Capital Redemption Reserve	1.10	0.50
Transfer to General Reserve	3.00	3.25
Short provision of Taxation of earlier years	0.40	-
Balance carried to Balance Sheet	80.40	50.26

Dividend

Your Directors have declared a dividend of Re. 1 per equity share for the financial year ended 31st March 2002, which if approved at the forthcoming Annual General Meeting will be paid to all those Equity Shareholders whose names appear in the Register of Members as on 20th September 2002.

The payout on account of dividend on preference shares will be Rs.0.72 crores.



DIRECTORS' REPORT

Operations

The performance of your Company for the year under review has been satisfactory. Your Company recorded a turnover of Rs. 566.43 crores, an increase of 27.39 % over previous year. The Profit after tax grew to Rs.37.91 crores, a 28.64% increase over the previous year.

Alok today has a strong and established presence in the weaving, knitting and processing (both wovens and knits) segments. Alok has specialised in meeting the specific requirements of the garment exporters. The company offers a range of tailor-made services to the customers like weaving fabric, developing design and finishing fabric, as per the specifications of the garment manufacturers. The organised sector does not attend to specific requirements, as their economies of scale do not permit such specialised attention while the unorganised sector cannot meet the quality criteria.

The company has a CAGR of 30% over the last five years and this has been achieved through an aggressive marketing strategy, diversified fibre and product mix, development of in-built flexibility to meet changing fashions, modern technology and constant emphasis on quality and timely deliveries. With the phasing out of the quota system, competition would be fierce with global players in the fray and only those with modern technology (like Alok) can expect to withstand the global competition.

Your Company's performance on export was also encouraging. This year too, your Company's exports increased from Rs. 18.74 crores to Rs 21.65 crores. Our philosophy of providing superior quality and timely delivery has resulted in achieving this performance.

Alok has recently ventured into the high value added segment of Home Textiles and Furnishings. The Home Textile / Made up sector has very good export potential, which is expected to receive a very big boost under the quota free regime from January 2005. The potential of this segment is evident from the fact that, the size of the home textiles industry in USA itself is about US\$ 21 billion. The new process house at Valsad is well equipped with the state-of-the-art equipments for processing of wider width fabrics (3mtrs wide) along with yarn dyeing facility. Alok would be offering a wide entire basket of Home Textile products ranging from Bed-linen, table-linen etc. to curtains, cushion covers, upholstery etc. The company is setting up a small made-up unit at Vapi adjacent to the new processing unit, which is expected to be in production from October 2002 onwards.

Post-WTO Scenario

India's present textile trade has reached a new height of US\$ 14,470 mn in fiscal year 2001. Out of which garment exports are to the tune of US\$ 6261.7 mn. Though exports in absolute terms are increasing year on year, India's share is a measly 3% of the global trade. This is mainly due to the lack of modernisation in the weaving and more so in the processing sectors. With the phasing out of the quota system, competition would be fierce with global players in the fray and only those with modern technology and competitive cost can expect to withstand the global competition.

The Technology Upgradation Fund (TUF) Scheme has been the earnest efforts of the Government to place the textile industry on the path of progress. However, the scheme has not taken-off as was expected. We feel that few more initiatives are required in the current scenario. The Government should identify companies who can achieve greater exports and provide them with all the desired support. The Government should also think of providing venture capital equity funding to textile companies and increasing the subsidy rate from present 5% so that the overall cost of setting the project is in line with the other competitive countries..

These moves by the Government can help meet the aspiration of the US\$ 50 billion exports target set for the year 2010 for Textile Industry (Rs. 25 bn for garment exports).



DIRECTORS' REPORT

Finance

The Company's Rights Issue of 56,70,098 - 14% Secured Fully Convertible Debentures (SFCD) of Rs. 90/- each aggregating to Rs. 51.03 crores to part finance the weaving and processing project, meeting long term working capital requirement, etc. The issue opened for subscription on 21st May 2001 and closed on 19th July 2001.

During the year under review 67,16,400 Equity shares of Rs. 10/- each were allotted to IDBI on conversion of SFCD at a premium of Rs. 2,28,35,760/-. Also 44,77,600 Equity shares of Rs. 10/- each were allotted to UTI and 7,46,200 Equity shares of Rs. 10/- were allotted to Alok Knit Exports Limited on conversion of SFCD at a premium of Rs. 1,52,23,840/- and Rs.25,37,070/- respectively. Further, 20,00,000 Equity shares of Rs. 10/- were allotted to Development Credit Bank on conversion of SFCD at par.

Expansion Projects

Your Company has during the year undertaken weaving expansion at Silvassa consisting of 68 nos. Air Jet looms (Toyoda), 12 Rapier Looms (Sulzer), 8 nos. Sulzer Rapier Looms with Jacquard attachments (Bonas) along with Benninger Warping and Sizing machines. The total cost of the project is Rs. 96 crores. The commercial production of 41 looms started in August 2001 and 47 machines started in November 2001.

Your Company is also setting up a 3 meters wide Continuous Processing Unit at Valsad. The total cost of the project is Rs. 94 crores. The commercial production is expected to commence from August 2002.

Corporate Governance

Your Company firmly believes in and has consistently practised good Corporate Governance. Corporate Governance has evolved in the Company over the years, not only on account of regulatory requirements but also on account of sound management values for enhancing and meeting shareholders expectations. As a result, a number of provisions regarding Corporate Governance prescribed by the Listing Agreements have already been complied with and adequate steps are being taken to comply with the balance provisions within the current financial year. A separate report on Corporate Governance is enclosed as a part of the Annual Report.

US GAAP

This year too the financial statements of your Company have been prepared in substantial compliance with the Generally Accepted Accounting Principles of USA (popularly known as US GAAP). There are differences between the financial statements prepared as per Indian and US GAAP, mainly due to provision for deferred taxes. Indian GAAP does not require provision for deferred taxes.

Your Company is not subject to reporting and disclosure requirements as per US GAAP. This disclosure has been provided as additional disclosure on voluntary basis.

Fixed Deposits

Fixed Deposits with your Company as at year-end were Rs. 1.84 crores. None of these deposits had matured for payment and consequently there were no unclaimed deposits till the date of this Report.

Insurance

All the insurable interests of your Company including inventories, buildings, plant and machinery are adequately insured.



DIRECTORS' REPORT

Directors

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Mr. C K Bubna, Mr. Ashok Rajani and Mr. K.R. Modi will retire by rotation at the ensuing Annual General Meeting and, being eligible, offers themselves for reappointment.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2A) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i) That in the preparation of the accounts for the financial year ended 31st March, 2002, the applicable accounting standards have been followed and there has been no material departure;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give them a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the accounts for the financial year ended 31st March 2002 on a 'going concern' basis.

Auditors

The Auditors, M/s. Gandhi & Parekh, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. Certificate from the Auditors has been received to the effect that their re-appointment, if made, will be within the limits laid down under Section 224(1B) of the Companies Act, 1956.

Cost Auditor

The Central Government's Cost Audit Order specifies audit of Cost Accounting Records of the Company every year. This is applicable to the products manufactured by the Company. The Board of Directors, subject to the approval of the Central Government, has appointed R. Nanabhoy & Co., Cost Accountant, Mumbai to carry out this audit for the current year.

Human Resources

Your Company considers human resources as its most valuable asset. The specific functional divisions are headed by professionals well versed in their respective areas of operation. The Company is being run on professional lines with well-developed systems, internal controls and adequate delegation of powers. A comprehensive recruitment plan ensures proper induction of personnel in a phased manner that is in line with requirements.

Your Company's relations with the employees at all levels have been cordial. The Directors take this opportunity of placing on record their appreciation of the devoted and committed services rendered by the employees during the year under review.

Information on particulars of Employees' remuneration as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 forms part of this report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all shareholders of the Company excluding the Statement of Particulars of Employees. Any shareholder interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.



DIRECTORS' REPORT

Safety and Environment Management

With continued focus on Safety and Environment Management, your Company has achieved significant progress during the year in this important key result area. Consistent high safety standards are being followed with a focus on continuous improvement.

Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo

The particulars as prescribed under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are attached as Annexure "A" to this report.

Future Prospects

Your Company presently has modern weaving, knitting and processing facilities and the Company manufactures a wide range of products with high value addition for the garment export industry. The Company has taken up modernisation and expansion projects to equip itself to face the challenges that would be posed by post-GATT era. These projects will further increase the Company's product range, provide higher value addition and increase substantially the Company's direct exports in the near future.

Today, the single biggest bottleneck faced by the garment exporters, who have to meet stringent requirements of time, quality and cost, is fabric sourcing. The Company has geared its operations to address this specific problem of the garment exporters. The Company provides customised services to it produces fabrics of innumerable varieties in various patterns/ designs and fashions catering to varying customer tastes and preferences.

Your Company with fully integrated modern facilities and large volumes will be in a position to take the advantage of the global market.

Your directors look forward to the future with confidence

Acknowledgements

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government Authorities and Shareholders during the year under review.

For and on behalf of the Board

Mumbai: June 25, 2002

Ashok B. Jiwrajka
Executive Chairman



ANNEXURE 'A' TO THE DIRECTORS' REPORT

Additional Information as required under the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1999:

CONSERVATION OF ENERGY

a) Energy conservation measures taken:

The Company continues to lay great emphasis on the conservation of energy and has been taking various measures like periodic checking and monitoring electrical load on all motors and repair of the defective ones, regular monitoring of steam traps, steam coils and AHU units, and up-to-date maintenance of systems.

Some other measures taken:

- ✓ Applying appropriate voltage to lighting circuit
- ✓ Installing Power factor controller/capacitors to conserve energy.
- ✓ Replacing illuminating devices with energy efficient ones
- ✓ Maintaining old machinery in good condition, retrofitting or replacing with energy efficient ones.
- ✓ Minimising idle running of equipment like air conditioners, pumps, lights, drilling machines, generators and Welding machines.

b) Additional investment and proposals being implemented for reduction of consumption of energy:

A range of investments and proposals are at various stages of implementation. Some of them are:

- i) Saving energy by supplying bare minimum voltage for lighting circuit.
- ii) Providing pre-drying cylinders after paddlers to increase the speeds of hot air stenters, providing auto liquor level controllers on JT-10 Bleaching Jiggers, tapping of heat from exhaust flue of boilers, Relax Dryer and hot air stenters.
- iii) Conducting energy audit.
- iv) Increasing scale of measures taken in the past.

c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The implementation of energy conservation measures has helped the Company to control the consumption of energy, thereby resulting in savings in the cost of production.

FORM "A"

Form for disclosure of particulars with respect to conservation of energy.

A) Power and Fuel Consumption

1) Electricity Purchased

	2001-02	2000-01
Units	20,943,705	14,961,366
Total amount (Rs.in crores)	6.41	4.72
Average Rate/Unit (Rs.)	3.05	3.15



ANNEXURE 'A' TO THE DIRECTORS' REPORT

2) a) Own Generation through Diesel Generator Set		
	2001-02	2000-01
Units	1,598,639	3,928,235
Total amount (Rs.in crores)	0.70	1.47
Average Rate/Unit (Rs.)	4.39	3.73
b) Diesel/Furnace Oil consumed per boiler		
	2001-02	2000-01
Total amount (Rs.in crores)	5.25	5.53

B) Consumption per unit of production

	2001-02	2000-01
a) Yarn (Kgs.)	4,964,122	4,784,559
Units Consumed (per kg.)	2.26	1.77
b) Fabric- Knits (Kgs.)	1,726,096	1,365,095
Units Consumed (per kg.)	0.70	1.04
c) Fabric Woven (Mtrs.)*	10,975,073	7,304,455
Units Consumed (per Mtr.)	0.52	0.63
d) Processing- Woven (Mtrs.)	13,923,191	12,119,630
Units Consumed (per kg.)	0.97	0.28
e) Processing- Knits (Kgs.)	1,045,019	885,884
Units Consumed (per kg.)	0.97	0.28

* includes part of the activities carried outside.

FORM "B"

	2001-02	2000-01
(B) TECHNOLOGY ABSORPTION	-	-

C) Foreign Exchange Earnings and Outgo

	2001-02	2000-01
i) Total Earnings for Foreign Exchange	203,870,759	172,617,053
ii) Total outgo in Foreign Exchange		
• Foreign Travel	2,749,777	2,300,732
• Technical Consultancy Fees	783,539	3,589,008
• Purchase of Capital Goods	693,608,039	93,614,623
• Purchase of Spares	117,459	3,060,653
• Purchase of Raw Materials	-	12,943,564
• Interest on Foreign Currency Term Loans and Exchange Difference	25,595,061	61,435,476
• Dividend Remitted in Foreign Currency	492,000	127,000



AUDITORS' REPORT

To the Members,

Alok Industries Limited

We have audited the attached Balance Sheet of ALOK INDUSTRIES LIMITED, as at 31st March, 2002 and the Profit and Loss account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test check basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we give here under a statement on the matters specified in paragraphs 4 & 5 of the said order to the extent applicable to the company.

- 1 The company has maintained proper records to show full particulars including quantitative details and situation of fixed assets . As explained to us, all the fixed assets have been physically verified by the management during the year as per the phased programme of verification, which, in our opinion is reasonable having regards to the size of the company and the nature of its business. No material discrepancies were noticed on such verification .
- 2 None of the Fixed Assets have been revalued during the year.
- 3 Stock of finished goods, consumable stores & spares , raw material & packing materials have been physically verified by the management during the year. In our opinion the frequency of such verification is reasonable
- 4 In our opinion and according to the information and explanation given to us , the procedures of physical verification of stocks followed by the management were found resonable and adequate in relation to the size of the company and nature of its business.
- 5 According to the records produced to us for our verification and on the basis of the information and explanations given to us, there were no material discrepancies noticed on physical verification of stocks as compared to book records and the same have been properly dealt with in the books of accounts.
- 6 On the basis of our examination and verification of stock records and the assistance received from company's technical and commercial staff, in our opinion the valuation of stock is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.



AUDITORS' REPORT

- 7 The company has taken unsecured loan from the companies, firms & parties listed in the register maintained under section 301 of the Companies Act, 1956, and the rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the company. We are informed that there are no companies under the same management as defined under Section 370(1B) of the Companies Act, 1956.
- 8 The company has not given any secured or unsecured loans to the companies firms & parties, listed in the register maintained u/s 301 of the Companies Act, 1956. We are informed that there are no companies under the same management as defined under Section 370(1B) of the Companies Act, 1956.
- 9 The parties including employees to whom the loans and advances in the nature of loans have been given by the company are repaying the principal amount as stipulated and have been regular in the payment of interest where applicable.
- 10 In our opinion, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of stores, raw material including components, plant & machinery and equipments, other assets and for sale of goods.
- 11 In our opinion and according to the explanations given to us, the transaction of purchases of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 (1 of 1956) and aggregating during the year to Rs.50,000 (Rupees fifty thousand only) or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices for such goods, materials or services or the prices at which transaction for similar goods, materials or services have been made with other parties.
- 12 The Company has regular procedure for determination of unservicable or damaged stores, raw materials or finished goods. Adequate provision has been made in the accounts for the loss arising on items so determined.
- 13 In our opinion and according to the information and explanation given to us the company has complied with the provisions of Section 58(A) of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 with regards to the deposits accepted from the public.
- 14 In our opinion, reasonable records have been maintained by the company for the sale and disposal of realisable scrap. We are informed that no bye-product are generated by the Company's operations.
- 15 In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- 16 Maintenance of cost records has been prescribed by the central government under section 209(1)(d) of the Companies Act, 1956 in respect of production of textile and fabric. Such accounts & records have been maintained and audited by the cost auditor as approved by the central government. However, we have not made a detailed examination of the records with a view to determining the accuracy or completeness.



AUDITORS' REPORT

- 17 As per the records of the company, provident fund and E.S.I.C. dues have generally been regularly deposited by the company with the appropriate authorities.
- 18 There were no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty and excise duty as at 31st March, 2002, which were outstanding for a period of more than 6 months from the date they became payable.
- 19 According to the information & explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
- 20 The company is not a sick industrial company within the meaning of Sec.3(1)(o) of a Sick Industrial Companies (Special Provision) Act, 1985.
- 21 In respect of the service activities of the company, in our opinion and according to the information and explanations given to us:
- (a) The company undertakes processing jobs which are carried out together with the overall process of manufacture of the company's own products and which form an insignificant part of its overall activities.
 - (b) In view of the quantum of service activities being insignificant, specific authorisation and allocation of man-hours utilised and materials consumed to individual jobs is not considered practicable by the company.
 - (c) However, the company has a reasonable system of recording receipts, issues and consumption of customers' materials and stores.
 - (d) The company has an adequate system of internal control commensurate with the size of the company and the nature of its business on issue of stores.
- 22 As explained to us, in respect of trading activities of the company, there were no damaged goods during the year.

Further to our above comment:

- a] We have obtained all the informations and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b] In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of books.
- c] The Balance Sheet and Profit and Loss account referred to in this report are in agreement with the books of accounts.



AUDITORS' REPORT

- d] In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this Report are in compliance with the accounting standards referred to in section 211(3C) of the Companies Act, 1956 in so far as they apply to the Company.
- e] On the basis of information & explanation given to us and written representations received from such directors, and taken on record by the Board of Directors, we report that none of the directors of the company is disqualified as on 31st March, 2002 from being appointed as director in terms of Section 274(1)(g) of the Companies Act, 1956.
- f] In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the significant accounting policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true & fair view:-
- i] in the case of the Balance sheet of the state of affairs of the company as at 31st March, 2002.
- and
- ii] in the case of Profit and Loss Account, of the profit of the company for the year ended on that date.

For and on behalf of
Gandhi & Parekh
Chartered Accountants

Mumbai: June 25, 2002

Devang B. Parekh
Partner



BALANCE SHEET AS AT MARCH 31, 2002

	Schedule	2002 Rs.	2001 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	478,906,880	345,504,880
Reserves and Surplus	2	1,428,454,976	1,056,330,709
		1,907,361,856	1,401,835,589
Loan Funds			
Secured Loans	3	4,192,943,641	2,738,379,128
Unsecured Loans	4	286,614,625	346,031,667
		4,479,558,266	3,084,410,795
Total		6,386,920,122	4,486,246,384
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	2,495,395,901	1,479,148,662
Less : Depreciation		477,406,013	320,635,696
Net Block		2,017,989,888	1,158,512,966
Capital Work-in-Progress	6	840,351,231	653,594,889
Expenditure during construction period	7	214,672,035	146,143,193
		3,073,013,154	1,958,251,048
Investments	8	39,950,000	40,621,000
Current Assets, Loans & Advances			
Inventories	9	1,987,903,266	1,487,160,013
Sundry Debtors	10	1,858,580,160	1,405,513,329
Cash & Bank Balances	11	180,616,127	192,118,868
Loans & Advances	12	201,335,189	131,559,634
		4,228,434,742	3,216,351,844
Less : Current Liabilities & Provisions	13	948,082,564	753,941,204
Net Current Assets		3,280,352,178	2,462,410,640
Deferred Tax			
Deferred Tax Asset		46,923,753	-
Less : Deferred Tax Liability		(73,292,932)	-
		(26,369,179)	-
Miscellaneous Expenditure [To the extent not written off or adjusted]	14	19,973,969	24,963,696
Total		6,386,920,122	4,486,246,384

NOTES TO THE ACCOUNTS

22

As per report attached

For and on behalf of the Board

For and on behalf of
Gandhi & Parekh,
Chartered Accountants

Ashok B. Jiwrajka
Executive chairman

Dilip B. Jiwrajka
Managing Director

Devang B. Parekh
Partner

Surendra B. Jiwrajka
Executive Director

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

Mumbai : 25th June, 2002



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2002

	Schedule	2002 Rs.	2001 Rs.
INCOME			
Sales			
- Local		5,447,746,605	4,258,973,209
- Export		216,545,040	187,442,645
		<u>5,664,291,645</u>	<u>4,446,415,854</u>
Other Income	15	1,470,940	1,825,950
Increase / (Decrease) in Inventories	16	329,696,650	195,153,447
		<u>5,995,459,235</u>	<u>4,643,395,251</u>
EXPENDITURE			
Material consumed	17	4,476,848,479	3,436,836,604
Operating Expenses	18	356,516,636	330,479,002
Employees Remuneration	19	79,786,216	57,402,760
Administrative, Selling & Distribution Expenses	20	72,974,771	64,260,943
Interest & Finance charges	21	427,421,654	323,696,242
Depreciation	5	157,441,558	111,017,290
		<u>5,570,989,314</u>	<u>4,323,692,841</u>
PROFIT BEFORE TAX		424,469,920	319,702,410
Less : Provision for Taxation – Current year		30,000,000	25,000,000
– Deferred		15,407,164	–
PROFIT AFTER TAX		<u>379,062,756</u>	<u>294,702,410</u>
Add : Balance b/f from previous Year		502,506,935	291,276,872
AMOUNT AVAILABLE FOR APPROPRIATION		<u>881,569,691</u>	<u>585,979,282</u>
Add : Transferred from Investment Allowance Reserve		–	2,200,944
		<u>881,569,691</u>	<u>588,180,226</u>
APPROPRIATIONS			
Transferred to Debenture Redemption Reserve		–	6,635,000
Transferred to Capital Redemption Reserve		11,000,000	5,000,000
Transferred to General Reserve		30,000,000	32,500,000
Proposed Dividends		32,134,646	35,838,614
Short Provision of Taxation for earlier years		3,979,047	–
Tax on Dividends		459,461	5,699,677
Balance Carried to Balance Sheet		803,996,537	502,506,935
		<u>81,569,691</u>	<u>588,180,226</u>

NOTES TO THE ACCOUNTS

22

As per report attached

For and on behalf of the Board

For and on behalf of

Gandhi & Parekh,
Chartered Accountants

Ashok B. Jiwrajka
Executive chairman

Dilip B. Jiwrajka
Managing Director

Devang B. Parekh
Partner

Surendra B. Jiwrajka
Executive Director

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

Mumbai : 25th June, 2002



SCHEDULES TO THE BALANCE SHEET

	2002 Rs.	2001 Rs.
1. SHARE CAPITAL		
Authorised :		
5,50,00,000 Equity shares of Rs.10/- each (Previous Year : 5,50,00,000)	550,000,000	550,000,000
2,50,00,000 Preference shares of Rs.10/- each (Previous Year : 2,50,00,000)	250,000,000	250,000,000
	<u>800,000,000</u>	<u>800,000,000</u>
Issued, Subscribed & Paid-up :		
4,22,90,688 Equity shares of Rs.10/- each (Previous Year : 2,83,50,488)	422,906,880	283,504,880
	<u>422,906,880</u>	<u>283,504,880</u>
68,00,000 Preference shares of Rs.10/- each (Previous Year : 68,00,000)	56,000,000	62,000,000
	<u>478,906,880</u>	<u>345,504,880</u>

NOTES

- 1] Of the above equity shares, 7,45,397 (Previous year : 7,45,397) shares are allotted as fully paid bonus shares by way of capitalisation of General Reserves.
- 2] Of the above equity shares, 62,550 (Previous year : 62,550) forfeited shares are reissued during 2001.
- 3] 1,19,40,200 equity of Rs. 10 each at a premium of Rs.3.40 per share, were issued on conversion of 16,00,000 Fully Convertible Debentures on 6th January,2002.
- 4] 20,00,000 equity of Rs. 10 each were issued on conversion of 2,00,000 Fully Convertible Debentures of Rs.100 each on 20th March, 2002.
- 5] 18,00,000 15% Cumulative Redeemable Preference Shares are redeemable at par in 3 equal instalments. The first & second instalments have already been paid and final installment falls due on 2nd December, 2002.
- 6] 40,00,000 10.50% Cumulative Redeemable Preference Shares are redeemable at par on 26th May,2003.
- 7] 10,00,000 12% Cumulative Redeemable Preference Shares are redeemable at par in 3 equal annual instalments on 23rd August, 2003, 23rd August, 2004 and 23rd August, 2005.



SCHEDULES TO THE BALANCE SHEET

	2002 Rs.	2001 Rs.
2. RESERVES & SURPLUS		
Capital Reserve		
Balance as per last Balance Sheet	312,750	-
Add: Transferred on share forfeiture	-	312,750
	312,750	312,750
Capital Redemption Reserve		
As per last Balance Sheet	5,000,000	-
Add : Transferred from Profit & Loss Account	11,000,000	5,000,000
	16,000,000	5,000,000
Share premium		
As per last Balance Sheet	346,444,420	320,289,540
Add : Received during the year	40,596,680	26,154,880
	387,041,100	346,444,420
General Reserve		
Balance as per last Balance Sheet	158,936,604	126,436,604
Add: Transferred from Profit and Loss Account	30,000,000	32,500,000
Less : Deferred tax liability upto 31-3-2001	10,962,015	-
See Note 11 Schedule "22")	177,974,589	158,936,604
Investment Allowance (utilised) Reserve		
Balance as per last Balance Sheet	-	2,200,944
Less : Transferred to Profit & Loss Account	-	2,200,944
	-	-
Debenture Redemption Reserve		
Balance as per last Balance Sheet	43,130,000	36,495,000
Add: Transferred from Profit and Loss Account	-	6,635,000
	43,130,000	43,130,000
Profit and Loss Account		
Balance in Profit and Loss Account	803,996,537	502,506,933
	1,428,454,976	1,056,330,707
3. SECURED LOANS		
Long Term Borrowings		
Non-convertible Debentures		
300,000 20% Secured Redeemable Non Convertible Debentures of Rs.100/- each	9,998,000	19,999,000
500,000 14.00% Secured Redeemable Non Convertible Debentures of Rs.100/- each	-	50,000,000
500,000 13.00% Secured Redeemable Non Convertible Debentures of Rs.100/- each	50,000,000	-
300,000 16.50% Secured Redeemable Non Convertible Debentures of Rs.100/- each	20,000,000	30,000,000
	79,998,000	99,999,000



SCHEDULES TO THE BALANCE SHEET

	2002 Rs.	2001 Rs.
Convertible Debentures		
2,000,000 16.00% Secured Fully Convertible Debentures of Rs.100/- each	-	130,000,000
56,70,098 14.00% Secured Fully Convertible Debentures of Rs. 90/- each	510,308,820	-
	510,308,820	130,000,000
Term Loans		
From Financial Institutions	1,803,851,172	1,420,559,857
From banks	387,000,000	-
External Commercial Borrowings from banks	-	35,083,099
	2,190,851,172	1,455,642,956
Hire Purchase Loans		
From Financial Institutions	1,385,718	2,114,061
From Others	1,926,841	3,459,397
	3,312,559	5,573,458
	2,784,470,551	1,691,215,414
Short Term Borrowings		
Cash Credit Accounts and Working Capital Demand Loan	1,408,473,090	1,047,163,714
	1,408,473,090	1,047,163,714
	4,192,943,641	2,738,379,128

Notes:

- 1 20 % and 16.50% Secured Non-Convertible Debentures are redeemable at par in three equal instalments at the end of 4th, 5th and 6th year from the date of allotment. During the year the amount redeemed out of the two series was Rs. 1 Crores each.
- 2 20 % and 16.5 % Non-Convertible Debentures are secured by pari passu charge created/to be created on all present and future moveable and immoveable assets of the Company, subject to prior charge on specific moveable assets in favour of the Company's bankers:and personal guarantees of three promoter directors.
- 3 56,70,098 14 % Fully Convertible debentures of Rs 90/- each are convertible into Equity Shares at the expiry of 15 months from the date of allotment i.e. on 5th December 2002. These FCDs, are secured by wqay of second charge(equitable and registered mortgage) on immoveable properties of the company.
- 4 Rupee/ Foreign Currency Term Loans under project finance schemes and TUFs loan from IDBI, IFCI Ltd, EXIM Bank, Corporate Loan from IDBI, IFCI Ltd and ICICI Ltd are secured by pari passu charge on all present and future moveable and immoveable assets of the Company, subject to prior charge on specified moveables in favour of the Company's bankers for their working capital facilities and personal guarantees of promoter directors of the company.
- 5 Bridge Loan from The Bank of Rajasthan Ltd is secured by way of letter of comfort of IFCI Ltd.
- 6 Working Capital Limits from banks are secured by hypothecation of Company's stocks of all raw material, consumable stores, stock in process, finished goods, packing materials, book debts, etc., and second charge created/to be created on the fixed assets of the Company, immovable properties and guarantees of associate concerns and personal guarantees of promoter directors of the Company



SCHEDULES TO THE BALANCE SHEET

- 7 14 % Redeemable Non-Convertible Debentures privately placed with UTI Bank Ltd have been redeemed during the year.
- 8 13 % Redeemable Non-Convertible Debentures privately placed with UTI Bank Ltd are secured/to be secured by way of second pari-passu charge on the fixed assets of the company and personal guarantee of the Managing Director and are redeemable at par at the end of one year from date of subscription i.e. 22nd October 2002, with a put/call option at the end of 6 months.
- 9 Hire Purchase Loans were secured by the respective assets purchased under the said loans.
- 10 Corporate Loan from The Bank of Bahrain & Kuwait BSC is secured /to be secured by second charge on fixed assets and personal guarantee of the Managing Director of the Company.
- 11 Short Term Corporate Loan from The Karur Vysya Bank is secured/ to be secured by pari passu charge on current assets of the Company
- 12 Short Term Corporate Loan from UTI Bank Ltd is secured/ to be secured by way of subservient charge over the assets of the company and personal guarantee of promoter directors.

4. UNSECURED LOANS

Short Term

Advance against FCD Application Money	–	164,800,000
Fixed Deposits	18,418,955	18,820,314
Loans and advances from Directors	453,195	861,353
Loans and advances from Banks and Institutions	231,729,400	100,000,000
Loans and advances from others	36,013,075	61,550,000
	286,614,625	346,031,667

- 1 Loan from Development Credit Bank is secured by way of equitable mortgage of five immoveable properties belonging to promoters, relatives and group concerns as collateral security, personal guarantees of promoter directors and corporate guarantee of group company.
- 2 Loan from Bank of India is secured by mortgage of immoveable properties of group concerns and personal guarantees of promoter directors of the company.
- 3 Fixed Deposits include amount repayable within one year Rs.1,41,38,955 (previous year Rs.1,20,77,314)



SCHEDULES TO THE BALANCE SHEET

FIXED ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	AS AT 01.04.2001 Rs.	ADDITIONS Rs.	DEDUCTIONS Rs.	AS AT 31.03.2002 Rs.	FOR THE YEAR Rs.	ADJUSTMENTS ON SALE / TRF Rs.	TOTAL UPTO 31.03.2002 Rs.	AS AT 31.03.2002 Rs.	AS AT 31.03.2001 Rs.
	LAND	46,474,867.53	2,781,019.00	-	49,255,886.53	-	-	-	49,255,886.53
FACTORY BUILDING	237,536,924.22	169,431,588.00	-	406,968,512.22	9,580,180.74	-	34,481,663.59	372,486,848.63	212,635,441.37
OFFICE PREMISES	20,076,445.35	-	-	20,076,445.35	327,246.27	-	2,142,710.58	17,933,734.77	18,260,981.04
PLANT & MACHINERY	1,109,306,313.06	794,339,666.24	3,410,908.00	1,900,235,071.30	139,665,368.73	724,217.29	412,478,534.73	1,487,756,536.57	835,768,929.77
COMPUTER & ACCESSORIES	20,978,480.42	14,192,763.00	-	35,170,643.42	4,671,516.77	-	13,715,862.81	21,454,780.61	11,934,134.38
OFFICE EQUIPMENT	6,462,315.55	845,425.00	108,846.00	7,198,894.55	436,015.31	25,861.00	1,553,616.68	5,645,277.87	5,318,853.18
FURNITURE & FITTINGS	22,554,955.14	34,863,618.48	-	57,418,573.62	2,324,290.69	-	8,034,522.62	49,384,051.00	16,844,723.21
VEHICLES	14,811,891.43	5,318,036.00	2,052,352.35	18,077,575.08	1,529,636.24	1,095,582.59	4,613,003.77	13,464,571.31	10,632,941.81
TOOLS & EQUIPMENT	946,469.39	47,830.00	-	994,299.39	81,722.67	-	386,097.93	608,201.46	642,094.13
GRAND TOTAL AS ON 31.03.2002	1,479,148,662.09	1,021,819,345.72	5,572,106.35	2,495,395,901.46	158,615,977.41	1,845,660.88	477,406,012.71	2,017,989,888.75	1,158,512,966.42
GRAND TOTAL AS ON 31.03.2001	1,378,021,136.56	103,031,679.00	1,904,153.47	1,479,148,662.09	112,130,166.92	999,306.21	320,635,696.17	1,158,512,965.92	1,168,516,301.60

Notes

1. Depreciation for the period includes Rs. 11,74,419/- (Previous Year - Rs. 11,12,877/-) which has been transferred to Expenditure Incurred during Construction period.
2. Cost of Plant & Machinery includes Rs. 7,83,58,816/- (Previous Year - Rs. 7,08,24,961/-) on account of foreign exchange fluctuation.



SCHEDULES TO THE BALANCE SHEET

	2002 Rs.	2001 Rs.
6. CAPITAL WORK IN PROGRESS		
Capital Expenditure On Projects	660,290,051	302,516,224
Advance For Capital Expenditure	180,061,180	351,078,665
	840,351,231	653,594,889
7. EXPENDITURE INCURRED DURING CONSTRUCTION PERIOD		
Opening Balance	146,143,193	38,698,749
Add: Expenditure Incurred During the year		
Payment and Provision for Employees	7,835,986	6,287,697
Administrative and Other Expenses	46,245,323	49,188,343
Payment to Auditors	75,000	150,000
Financial Charges	118,532,102	50,705,527
Depreciation	1,174,419	1,112,877
	320,006,023	146,143,193
Less : Expenditure capitalised during the Year	105,333,988	-
	214,672,035	146,143,193
8. INVESTMENTS		
LONG TERM INVESTMENTS		
Trade Investments [At Cost]		
Quoted		
19,00,000 Equity Shares of Rs.10/- each fully paid up at a Premium of Rs. 11/- in Grabal Alok Impex Limited	39,900,000	39,900,000
19,00,000 Equity Shares of Rs.10/- each fully paid up at a Premium of Rs. 11/- in Grabal Alok Impex Limited	39,900,000	39,900,000
15,800 Equity Shares of Rs.10/- each fully paid up at a Premium of Rs. 35/- in Indusind Bank Limited	-	711,000
	39,900,000	40,611,000
Unquoted		
4,000 Equity Shares of Rs.10/- each fully paid up at par in The Greater Bombay Co-operative Bank Limited	40,000	-
1,000 Equity Shares of Rs.10/- each fully paid up at par in Saraswat Co-operative Bank Limited	10,000	10,000
	39,950,000	40,621,000
Aggregate market value of quoted investments	45,220,000	22,261,990
9. INVENTORIES [At Lower of Cost or Net Realisable value, unless otherwise stated] [As taken, valued & certified by Management]		
Raw Materials	763,808,582	590,934,433
Work-in-process	599,419,489	414,104,385
Finished Goods	613,569,408	469,187,863
Stores, Spares, Packing Materials and others	11,105,787	12,933,332
	1,987,903,266	1,487,160,012



SCHEDULES TO THE BALANCE SHEET

	2002 Rs.	2001 Rs.
10. SUNDRY DEBTORS		
[Unsecured Considered Good]		
Debt Outstanding for a period exceeding 6 months	52,162,893	81,485,373
Other Debts	1,806,417,267	1,324,027,953
	1,858,580,160	1,405,513,326
11. CASH & BANK BALANCES		
Cash on hand	7,012,094	6,858,847
Balances with Scheduled Banks		
- In Current Accounts	4,168,399	5,846,414
- In Deposit Accounts	168,910,949	112,059,671
- In No lien Account with Banks for Purchase of fixed assets against Weaving & Processing projects under the Technology Upgradation Fund	524,685	67,353,937
	180,616,127	192,118,869
12. LOANS & ADVANCES		
[Unsecured considered good]		
Advance recoverable in cash or kind or for value to be received	184,602,479	120,611,234
Deposits	16,732,710	10,948,400
	201,335,189	131,559,634
13. CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES :		
Sundry Creditors		
- Trade	820,775,844	635,895,993
- Capital Goods	15,003,476	5,491,934
- Others	26,102,808	28,463,585
Advance from customers	9,274,278	7,873,248
Interest Accrued but not due	21,613,998	21,229,252
	892,770,404	698,954,012
PROVISIONS :		
Provision for Taxation	16,312,312	10,403,159
Proposed Dividend	37,030,808	39,704,434
Provision for Tax on Dividend	1,969,040	4,879,599
	55,312,160	54,987,192
	948,082,564	753,941,204
14. MISCELLANEOUS EXPENDITURE		
[To the extent not written off or adjusted]		
Share Issue Expenses	5,163,170	6,421,156
Add : Incurred during the year	-	400,000
	5,163,170	6,821,156
Less: Written off during the year	1,598,505	1,657,986
	3,564,665	5,163,170



SCHEDULES TO THE BALANCE SHEET

	2002 Rs.	2001 Rs.
Debenture Issue Expenses	5,706,350	369,888
Add : Incurred during the year	2,836,082	5,478,350
	8,542,432	5,848,238
Less: Written off during the year	551,725	141,888
	7,990,707	5,706,350
Preliminary Expenses	4,566,888	4,868,298
Add : Incurred during the year	-	300,000
	4,566,888	5,168,298
Less: Written off during the year	661,410	601,410
	3,905,478	4,566,888
Deferred Revenue expenditure	9,527,288	14,674,379
Add : Incurred during the year	-	112,500
	9,527,288	14,786,879
Less: Written off during the year	5,014,169	5,259,591
	4,513,119	9,527,288
	19,973,969	24,963,696
15. OTHER INCOME		
Dividend	990,940	971,950
Rent	480,000	854,000
	1,470,940	1,825,950
16. INCREASE / (DECREASE) IN STOCK		
CLOSING STOCK		
Finished Goods	613,569,409	469,187,863
Work-In-Process	599,419,489	414,104,385
	1,212,988,898	883,292,248
OPENING STOCK		
Finished Goods	469,187,863	385,589,612
Work-In-Process	414,104,385	302,549,189
	883,292,248	688,138,801
	329,696,650	195,153,447



SCHEDULES TO THE BALANCE SHEET

	2002 Rs.	2001 Rs.
17. MATERIALS' CONSUMED		
Opening Stock	590,934,433	474,861,044
Add : Purchases	4,133,843,578	3,315,747,084
	<u>4,724,778,011</u>	<u>3,790,608,128</u>
Less : Closing Stock	763,808,582	590,934,433
	<u>3,960,969,429</u>	<u>3,199,673,695</u>
Purchase of Trading Fabric	515,879,050	237,162,909
	<u>4,476,848,479</u>	<u>3,436,836,604</u>
18. OPERATING EXPENSES		
Power & Fuel	69,393,493	61,828,859
Labour Charges	22,968,333	18,633,235
Other Manufacturing Expenses	45,774,607	41,934,765
Process Charges	89,017,207	82,123,796
Excise Duty	14,682,224	13,391,532
Stores & Spares Consumed	37,211,220	33,276,547
Packing Materials Consumed	12,132,302	11,825,750
Oil Consumed	65,337,250	67,464,518
	<u>356,516,636</u>	<u>330,479,002.57</u>
19. EMPLOYEES REMUNERATION		
Factory Salaries & Wages	27,818,626	19,735,051
Office Salaries	7,974,212	5,956,939
Directors Remuneration	11,910,648	9,662,708
Contribution to Provident Fund & Other Funds	4,181,572	2,848,262
Exgratia	1,504,893	935,591
Gratuity	502,930	302,691
Staff & Labour Welfare	2,500,411	2,167,846
Other Allowances	23,392,924	15,793,672
	<u>79,786,216</u>	<u>57,402,760</u>



SCHEDULES TO THE BALANCE SHEET

20. ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES		
Administrative & Sundry Expenses	26,134,742	16,546,828
Travelling & Conveyance	873,557	626,822
Printing & Stationery	3,325,344	2,971,510
Directors' Sitting Fees	105,000	66,000
Legal & Professional charges	2,663,508	2,016,664
Postage, Telegram, Telephone & e-mail Expenses	3,709,556	3,103,415
Vehicle expenses	2,413,143	2,169,868
Selling expenses	17,096,881	9,973,233
Auditor's Remuneration	546,000	561,399
Loss on Sale of Assets / Investments	2,258,590	456,847
Insurance Charges	5,830,996	5,149,362
Exchange Rate Difference [Net]	191,645	4,081,035
Miscellaneous Expenses Written of	7,825,809	7,660,875
	<u>72,974,771</u>	<u>55,383,858</u>
21. FINANCIAL EXPENSES		
Interest [Net] :		
On Term Loan	172,641,919	144,096,668
On Debentures	14,184,160	13,909,937
On Others	15,888,941	3,487,673
	<u>202,715,020</u>	<u>161,494,278</u>
Bank Interest charges & Commission	224,706,634	171,079,048
	<u>427,421,654</u>	<u>332,573,326</u>



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Information required to be given in pursuance of part IV of Schedule VI of the Company's Act, 1956

I Registration Details

Registration No. : 39194 State Code : 11
 Balance Sheet Date : 31 03 2002
 Day Month Year

		<i>(Amount in Rs. Thousands)</i>	
		31.03.2002	31.03.2001
II	Capital raised during the year		
	Public issue :	NIL	NIL
	Bonus issue :	NIL	NIL
	Right issue - Equity including premium	NIL	584
	Private placement - Equity including premium	179,999	4,730
	Private placement/Redemption) of preference shares	(6,000)	33,500
III	Position of mobilisation and deployment of funds		
	Total Liabilities :	7,361,372	5,240,188
	Total Assets :	7,361,372	5,240,188
	Sources of Funds		
	Paid up Equity Capital :	422,907	283,505
	Preference Share Capital :	56,000	62,000
	Reserves & Surplus :	1,428,455	1,056,331
	Secured Loan :	4,052,944	2,738,379
	Unsecured Loan :	426,615	346,032
	Current Liabilities :	948,083	753,941
	Defferred Tax Liabiltiy :	26,369	NIL
	Application of Funds		
	Net Fixed Assets :	3,073,013	1958251
	Current Assets :	4,228,435	3216352
	Investments :	39,950	40621
	Misc. Expenditure :	19,974	24964
IV	Performance of the Company		
	Turnover :	5,664,292	4,446,416
	Profit before Tax :	424,470	319,702
	Earning Per Share :	11.90	10.41
	Total Expenditure :	5,239,822	4,126,714
	Profit after Tax :	+379,063	+294,702
	Dividend Rate :	10%	10%



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

V Generic names of Principal Products/Services of the Company
(AS PER MONETARY TERMS)

Item Code No.(ITC Code)	:	5208
Product description	:	Woven Fabrics of cotton,containing 85% or more by weight of cotton weighing not more than 200 g/m2
Item Code No.(ITC Code)	:	5512
Product description	:	Woven Fabrics of synthetic staple fibres, containing 85% or more by weight of synthetic staple fibres.
Item Code No.(ITC Code)	:	5513
Product description	:	Woven Fabrics of synthetic staple fibres, containing less than 85% by weight of fibres,mixed mainly or solely with cotton of a weight not exceeding 170g/m2
Item Code No.(ITC Code)	:	5406
Product description	:	Man made filament yarn (other than sewing thread) put up for retail sale.
Item Code No.(ITC Code)	:	6001
Product description	:	Pile fabric, including 'long pile' fabrics and terry fabrics, knitted or crocheted.
Item Code No.(ITC Code)	:	6002
Product description	:	Other knitted or crocheted fabric.

As per report attached
For and on behalf of
Gandhi & Parekh,
Chartered Accountants

For and on behalf of the Board

Ashok B. Jiwrajka
Executive chairman

Dilip B. Jiwrajka
Managing Director

Devang B. Parekh
Partner

Surendra B. Jiwrajka
Executive Director

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

Mumbai : 25th June, 2002



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2002

		<i>(Rs. in Crores)</i>	
		2002	2001
		Rs.	Rs.
A]	Cash Flow from Operating Activities		
	Net Profit Before Tax and Extraordinary items	42.45	31.97
	Adjustments for:		
	Depreciation charged to P/L	15.74	11.10
	Foreign Exchange loss	0.02	0.41
	Dividend Income	(0.10)	(0.10)
	Interest Paid	42.74	32.37
	Loss / (Profit) on sale of assets	0.23	0.05
	Miscellaneous Expenses written off	0.78	0.77
	Operating Profit before working capital changes	101.86	76.57
	Adjustments for		
	(Increase) / Decrease in Inventories	(50.07)	(31.67)
	(Increase) / Decrease in Trade Receivable	(45.31)	(29.71)
	(Increase) / Decrease in Loans & Advances	(6.98)	(3.55)
	Increase / (Decrease) in Current Liabilities	19.38	10.70
	Cash Generated from operations	18.88	22.34
	Income Taxes Paid	(2.80)	(2.84)
	Cash flow before extraordinary items	16.08	19.50
	Extraordinary items	(0.23)	(0.05)
	Net cash flow from operating activities	15.85	19.45
B]	Cash flow from Investing Activities		
	Purchase of fixed assets	(127.59)	(83.03)
	Sale of fixed assets	0.37	0.09
	Purchase of Investments	-	-
	Sale of Investments	0.07	-
	Dividends Received	0.10	0.10
	Net cash used in Investing Activities	(127.05)	(82.84)
C]	Cash flow from Financing Activities		
	Proceeds from issue of Share Capital	17.40	6.53
	Proceeds from share application money	-	(3.00)
	Proceeds from borrowings	139.50	90.62
	Interest Paid	(42.74)	(32.37)
	Dividend Paid	(3.82)	(3.47)
	Miscellaneous Expenditure incurred	(0.28)	(0.63)
	Net cash used in Financing Activities	110.05	57.67
	Net Increase/Decrease in Cash and Cash equivalents (A+B+C)	(1.15)	(5.72)
	Cash and Cash equivalents		
	at the beginning of the year	19.21	24.93
	at the end of the year	18.06	19.21
	Net Increase/Decrease in Cash and Cash equivalents	(1.15)	(5.72)

Note : The increase/decrease in the above items have considered on net basis

As per report attached
For and on behalf of
Gandhi & Parekh,
Chartered Accountants

For and on behalf of the Board

Ashok B. Jiwrajka
Executive chairman

Dilip B. Jiwrajka
Managing Director

Devang B. Parekh
Partner

Surendra B. Jiwrajka
Executive Director

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

Mumbai : 25th June, 2002

AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement of the Alok Industries Limited for the year ended 31st March, 2002. The statement has been prepared by the Company in accordance with the requirements of listing agreements of the various stock exchanges and is based on and in agreement with the corresponding Profit and Loss Account for the year ended 31st March, 2002 and Balance Sheet covered by our report of even date to members of the Company.

For Gandhi & Parekh
Chartered Accountants

Devang B Parekh
Partner



FINANCIAL STATEMENTS AS PER US GAAP



US GAAP

Reconciliation of Profits between Indian and US GAAP Financial Statements

	<i>(All figures in INR)</i>	
	2002	2001
Retained earnings as per the Indian GAAP Financial statements	1,025,101,126	704,573,537
Add/ (Less) :		
Expenses treated as deferred revenue expenses under Indian GAAP, but fully charged under US GAAP	(16,409,304)	(19,800,526)
Share issue expenses adjusted against additional capital under US GAAP but amortised as deferred revenue expenses in Indian GAAP	7,533,580	5,935,075
Exchange loss on acquisition of fixed assets charged to income statement as per US GAAP and capitalised under the Indian GAAP	(75,121,645)	(70,824,960)
Effect on depreciation due to exchange loss capitalised as per Indian GAAP and charged to revenue account under US GAAP	15,916,307	8,555,983
Share in earnings of associate company not considered under Indian GAAP	21,369,276	8,470,298
Amortisation of excess of cost over share of net assets in associate company as per the Equity method of accounting under US GAAP	(17,230,258)	(12,922,693)
Dividend income from associate company reduced from cost of investment as per equity method under US GAAP	(2,850,000)	(1,900,000)
Difference in Deferred Income Tax provision under US GAAP and Indian GAAP	1,994,864	(215,310,401)
Retained earnings as per the US GAAP Financial statements	960,303,946	406,776,313



US GAAP

Reconciliation of Profits between Indian and US GAAP Financial Statements

	<i>(All figures in INR)</i>	
	2002	2001
Profit after tax as per the Indian GAAP Financial statements	379,062,756	294,702,409
Add/ (Less) :		
Expenses treated as deferred revenue expenses under Indian GAAP, but fully charged under US GAAP :		
Deferred revenue expenses written off	5,014,169	5,259,591
Preliminary expenses written off	661,410	601,410
Public issue expenses written off	1,598,505	1,657,986
Debenture issue expenses written off	551,725	141,888
Exchange loss on acquisition of fixed assets charged to income statement as per US GAAP and capitalised under the Indian GAAP	(4,296,685)	(19,396,413)
Effect on depreciation due to exchange loss capitalised as per Indian GAAP and charged to revenue account under US GAAP	7,360,324	4,593,019
Share in earnings of associate company not considered under Indian GAAP	12,898,978	3,725,160
Amortisation of excess of cost over share of net assets in associate company as per the Equity method of accounting under US GAAP	(4,307,564)	(4,307,564)
Dividend income from associate company reduced from cost of investment as per equity method under US GAAP	(950,000)	(950,000)
Difference in Deferred income tax provision under US GAAP and Indian GAAP	206,343,250	(66,176,623)
Net Income before extra-ordinary items as per the the US GAAP Financial statements	603,936,867	219,850,863



BALANCE SHEET AS AT MARCH 31,

	<i>(All figures in INR)</i>	
	2002	2001
ASSETS		
Current Assets		
Cash and Cash Equivalents	180,616,127	192,118,868
Accounts Receivable	1,858,580,160	1,405,513,329
Inventories	1,987,903,266	1,487,160,013
Prepaid expenses and other current assets	197,959,635	128,464,036
<i>Total Current Assets</i>	4,225,059,188	3,213,256,246
Non-current Assets		
Investments	41,239,018	33,857,015
Prepaid expenses and other assets	3,375,554	3,095,596
<i>Total Non-Current Assets</i>	44,614,572	36,952,611
Property, Plant and Equipment-net	3,013,807,817	1,895,982,071
<i>Total assets</i>	7,283,481,577	5,146,190,928
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	820,775,844	635,895,993
Taxes payable	16,312,312	10,403,159
Current portion of long term debts	479,957,068	401,465,933
Working capital loans from banks& financial institutions	1,408,473,090	1,047,163,714
Accrued expenses and other liabilities	110,994,408	107,642,052
<i>Total current liabilities</i>	2,836,512,722	2,202,570,851
Non - current liabilities		
Advance against FCD application money	-	164,800,000
Deferred tax liability	24,374,315	215,310,401
<i>Total non current liabilities</i>	24,374,315	380,110,401
Long term obligations	2,591,128,108	1,470,981,148
<i>Total liabilities</i>	5,452,015,145	4,053,662,400
Redeemable preferred stock		
Preferred stock, Rs 10 par value	56,000,000	62,000,000
Capital Redemption Reserve	16,000,000	5,000,000
Capital Reserve	312,750	312,750
Stockholder's Equity		
Common Stock		
55,000,000 shares authorised as of 2002 and 2001:		
Issued and outstanding shares -		
42,290,688 shares outstanding as of 2002 and		
28,350,488 shares outstanding as of 2001	422,906,880	283,504,880
Additional paid-in capital	375,942,856	335,346,176
Unrealised gains/(loss) on investments	-	(411,590)
Retained Earnings - Free and unappropriated	960,303,945	406,776,313
<i>Total stockholders' equity</i>	1,759,153,681	1,025,215,779
<i>Total liabilities and stockholders' equity</i>	7,283,481,576	5,146,190,928

The accompanying notes are an integral part of these financial statements



STATEMENT OF INCOME FOR THE YEAR ENDED MARCH 31,

	<i>(All figures in INR)</i>	
	2002	2001
REVENUES		
Net Revenues	5,664,291,645	4,446,415,854
Cost of Revenues	4,503,668,465	3,572,162,161
<i>Gross Profit</i>	<i>1,160,623,180</i>	<i>874,253,693</i>
OPERATING EXPENSES		
Selling, General & Administrative Expenses	149,231,863	133,399,241
Depreciation	150,081,234	106,424,271
Interest Expenses (Net)	427,421,654	323,696,241
Total Operating Expenses	726,734,751	563,519,753
<i>Operating Income</i>	<i>433,888,429</i>	<i>310,733,940</i>
Other income	520,940	875,950
Share in associates earnings	12,898,978	3,725,160
Amortisation of excess of cost over net assets of associate company as on date of acquisition	(4,307,564)	(4,307,564)
<i>Earnings before income tax & extraordinary items</i>	<i>443,000,782</i>	<i>311,027,486</i>
Income tax expense	(160,936,086)	91,176,623
<i>Earnings before extraordinary items</i>	<i>603,936,868</i>	<i>219,850,863</i>
Extraordinary items	-	-
<i>Earnings after extraordinary items</i>	<i>603,936,868</i>	<i>219,850,863</i>
Preferred Stock Dividend	7,211,097	7,518,973
Tax on Preferred Stock Dividend	459,461	2,811,074
<i>Net income available to common stockholders</i>	<i>596,266,310</i>	<i>209,520,816</i>
Basic earnings per share of common stock	-	7.40
Dividend declared per share of common stock	1.00	1.00

The accompanying notes are an integral part of these financial statements



STATEMENT OF STOCKHOLDER'S EQUITY

(All figures in INR)

	Shares	Common Stock Amount	Additional Paid in Capital	Retained Earnings	Unrealised gains/(losses) on investments	Total Stockholder's Equity
Balance as on 31st March, 1999	23,867,988	236,373,345	188,049,891	118,568,459	(411,590)	542,580,105
Issue of equity shares	4,009,500	40,095,000	119,831,300			159,926,300
Allotment money received		1,722,605	1,722,605			3,445,210
Net earnings				148,967,946		148,967,946
Dividend declared				(23,717,304)		(23,717,304)
Tax on dividend				(2,942,010)		(2,942,010)
Share Issue expenses incurred during the year			(12,500)			(12,500)
Preliminary expenditure incurred during the year				(1,522,500)		(1,522,500)
Balance as on 31st March, 2000	27,877,488	278,190,950	309,591,296	239,354,591	(411,590)	826,725,247
Issue of equity shares	473,000	4,730,000	26,467,630			31,197,630
Allotment money received		583,930				583,930
Net earnings				209,520,816		209,520,816
Capital Redemption Reserve				(5,000,000)		(5,000,000)
Capital Reserve			(312,750)			(312,750)
Dividend declared				(28,319,641)		(28,319,641)
Tax on dividend				(2,888,603)		(2,888,603)
Share Issue expenses incurred during the year			(400,000)			(400,000)
Preliminary expenditure incurred during the year				(300,000)		(300,000)
Debtenture Issue Expenses incurred during the year				(5,478,350)		(5,478,350)
Deffered Revenue expenditure incurred				(112,500)		(112,500)
Balance as on 31st March, 2001	28,350,488	283,504,880	335,346,176	406,776,313	(411,590)	1,025,215,779
Issue of equity shares	13,940,200	139,402,000	40,596,680			179,998,680
Net earnings				596,266,310		596,266,310
Capital Redemption Reserve				(11,000,000)		(11,000,000)
Dividend declared				(24,923,549)		(24,923,549)
Short provision of Taxation of Earlier years				(3,979,047)		(3,979,047)
Adjustment of Unrealised loss on sale of Investment					411,590	411,590
Tax on dividend				-		-
Debtenture Issue Expenses incurred during the year				(2,836,082)		(2,836,082)
Balance as on 31st March, 2002	42,290,688	422,906,880	375,942,856	960,303,945	-	1,759,153,681

The accompanying notes are an integral part of these financial statements



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,

		<i>(All figures in INR)</i>	
		2002	2001
A.	CASH FROM OPERATING ACTIVITIES		
	Net profit before extraordinary items :	603,936,868	219,850,863
	Extraordinary items	-	-
	Add/(Deduct) Non-cash items		
	Depreciation	150,081,234	106,424,271
	Foreign Exchange Loss	191,645	4,081,035
	Income tax expense	(160,936,086)	91,176,623
	Interest expenses (net)	427,421,654	323,696,241
	Amortisation of excess of cost of investment over net assets	4,307,564	4,307,564
	Share of earnings in associate company	(12,898,978)	(3,725,160)
	Loss on Sale of Fixed Assets & Investments	2,258,590	456,847
	Changes in assets & liabilities :		
	(Increase) / Decrease in Inventories	(500,743,253)	(316,673,874)
	(Increase) / Decrease in Account Receivables	(453,066,831)	(297,072,518)
	(Increase) / Decrease in Prepaid expenses & other current assets	(69,775,557)	(35,548,131)
	Increase / (Decrease) in Account payables	184,879,851	134,703,125
	Increase / (Decrease) in Accrued expenses & other liabilities	8,936,541	(27,675,257)
	Direct Tax Paid (including tax on dividend)	(28,069,894)	(28,402,107)
	Net cash from operating activities	156,523,349	175,599,522
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of fixed assets & Advances on Capital Account	(1,271,633,426)	(810,883,933)
	Purchase of Investment	(40,000)	-
	Sale of Investments	176,834	-
	Dividend Received	950,000	950,000
	Sale of Fixed Assets	2,002,022	448,000
	Net cash used in investing activities	(1,268,544,570)	(809,485,933)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from issue of equity shares	179,998,680	31,197,630
	Share Application Money	-	(30,000,000)
	Allotment money received	-	583,930
	Preferred stock	(6,000,000)	33,500,000
	Loans borrowed (net of repayments)	1,033,646,449	671,249,736
	Working capital loan from bank	361,309,376	234,903,725
	Interest expenses	(427,421,654)	(323,696,241)
	Dividend paid	(38,178,292)	(34,742,856)
	Share issue, preliminary and deferred revenue expenses	(2,836,082)	(6,290,850)
	Net cash received from financing activities	1,100,518,477	576,705,074
	Net increase in cash & cash equivalents (A+B+C)	(11,502,744)	(57,181,337)
	Cash & cash equivalents (opening)	192,118,868	249,300,205
	Cash & cash equivalents (closing)	180,616,127	192,118,868

The accompanying notes are an integral part of these financial statements



NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies

1.1 The Company and nature of its operations

Alok Industries Limited is a textile Company. The Company presently has the following divisions:

- Fabric
- Knitting
- Processing
- Yarn
- Others

Each of the above division is a separate segment of the textile industry.

The Company was incorporated in the year 1986 by the Jiwrajka family. At 31st March 2002, the Jiwrajka family along with their relatives, through their beneficial ownership of the largest block of shares, continues to wield significant influence over the operating and financing decisions of the Company.

1.2 Basis of preparation of financial statements

The original accounts are maintained on historical cost convention and on accrual basis of accounting. The financial statements prepared are as per the accounting practices prevalent in India and as per the Accounting Standards and Statements issued by the Institute of Chartered Accountants of India. These financial statements have been recast in accordance with the United States Generally Accepted Accounting Principles (US GAAP) format as near as circumstances permitted. The accompanying financial statements have been prepared in Indian rupees ("Rs") the national currency of India.

1.3 Use of estimates in financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for depreciation, deferred tax and certain other assets and liabilities. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates.

1.4 Revenue recognition

The Company derives its revenues primarily from sale of fabric (woven and knitted) and texturised yarn. Revenue from sales is recognised when the sale is completed with the passing of title. Revenue from processing is recognised when the rendering of service is complete. Sales are net of returns and related rebates but include excise duty.

1.5 Expenditure

Expenses are accounted on their accrual and provisions are made for all known liabilities and losses. Expenses incurred for the development of software for own use are charged to revenue in the same year.

1.6 Cash and cash equivalents

Cash and cash equivalents consists of cash funds available for use, cash on deposit with banks, and short term highly liquid deposits with original maturity of three months or less. The Company has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.



NOTES TO FINANCIAL STATEMENTS

1.7 Inventories

Inventories are valued on first in first out basis.

Raw material, packing material and stores and spares have been valued at cost. Work in progress is valued at cost determined for each stage of completion. Finished goods are valued at lower of cost or net realisable value. Cost includes all direct costs and relating manufacturing overheads.

1.8 Receivables

Receivables are stated at the amounts invoiced for sale of products and services.

The Company grants credits to customers, under credit terms that are customary in the industry.

1.9 Investments

The Company classifies its investments in one of the three categories available for sale, trading and held-to-maturity at the time of purchase and re-evaluates such designation as of each balance sheet date.

Equity securities classified as "available for sale" securities are carried at fair value, with unrealised gains, or losses reported as a separate component of stock holders' equity. Fair value of listed securities is determined based on price quoted on stock exchange and in respect of unlisted securities, on the basis of book value as per latest available financial statements of investee companies.

The Company did not hold any Debt securities as at March 31, 2002 and 2001.

The Company did not hold any "trading" securities as at March 31, 2002 and 2001.

Investments in companies wherein the Company controls between 20% and 50% of the voting interest, are accounted for using the equity method, under which investee company's share of operating results is reflected in income as earned and dividends are credited against the investment when received. The excess of cost of investment over the share in net assets of the investee company are amortised over a period of 5 years.

1.10 Property, plant and equipment and Depreciation

Property, plant and equipment are stated at cost, less depreciation. Cost includes related taxes, duties, freight and other expenses incurred to put the asset in working condition. MODVAT availed on capital goods purchased is being reduced from cost of assets. Interest on funds borrowed to finance the acquisition or construction of an asset are capitalised and amortised as a part of the cost of the related cost.

Depreciation for all property, plant and equipment is computed over the estimated useful lives of the related assets using the straight-line method for financial reporting. Depreciation is being charged on pro-rata monthly basis for assets purchased/sold during the year. On sale or retirement of items of property and equipment, the related costs and accumulated depreciation are removed from the accounts and any gain or loss on disposition is included in the statement of income.

In addition to the above, certain fixed assets having small value and of non-durable nature belonging to the categories of furniture & fixtures, computer equipment, office equipment and plant & equipment having an estimated useful life of one year or less are depreciated entirely in the year of purchase.

Leasehold land has not been amortised.

The fixed assets of the Company have not been revalued during the year.

Capital work-in-progress includes capital advances outstanding at the year-end and the cost of property, plant and equipment not ready for use as at the Balance Sheet date.



NOTES TO FINANCIAL STATEMENTS

1.11 Retirement benefits to employees

1.11.1 *Provident fund*

In accordance with the Indian statute, all employees of the Company are entitled to receive benefits under the Provident fund through a defined contribution plan in which both the employee and employer make monthly contributions equal to a specified percentage of the covered employees' salary. The contribution is made to the employees' provident fund maintained by the Government of India.

Employer's contributions are recognised in the statement of income in the year incurred.

The Company has no further obligations under this plan beyond its monthly contributions.

1.11.2 *Gratuity & Leave Encashment*

The Company provides for gratuity, a defined benefit retirement plan covering all employees. This plan provides a lump sum payment to the vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Company. The Company contributes each year on the basis of premium actuarially assessed and intimated by the Life Insurance Corporation of India in terms of the policy taken out with them. The Company has no further obligations under this plan beyond its yearly contributions.

The Company provides for leave encashment on the basis of actual workings.

1.12 Research and Development

Research and development expenditures are expensed as incurred.

Fixed assets purchased for research and development are capitalised if the assets have alternate uses.

Capitalised software cost is amortised over the estimated economic life of the product.

1.13 Foreign currency transactions

Revenue and expenses denominated in foreign currencies are recognised at the exchange rate prevailing at the time of the transaction. The year-end foreign currency assets and liabilities are restated at the closing exchange rates. Exchange differences arising on payments/realisation and restatement at closing exchange rate are recognised in the consolidated statement of income as income or expense in the period in which they arise.

All foreign currency loans outstanding at the year-end are expressed in Indian currency at the appropriate rates of exchange prevailing on the date of the balance sheet. Exchange differences arising on restating foreign currency loans as at the year end exchange rates are recognised as income or expense in the period in which they arise.

1.14 Basic and diluted earning per share

The Company applies the provisions of Financial Accounting Standards Board ("FASB") FAS No. 128, Earning Per Share, which requires companies to present basic EPS and diluted EPS.

Basic EPS excludes dilution and is computed by dividing net income available to common stock holders by the weighted-average number of common shares outstanding for the period.

Diluted EPS reflects the dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the Company.



NOTES TO FINANCIAL STATEMENTS

1.15 Impairment of long-lived assets

The Company accounts for long-lived assets in accordance with the provisions of FAS No. 121, Accounting for impairment of long-lived assets and for long-lived assets to be disposed of. The Company evaluates the recoverability of its long-lived assets and certain identifiable intangibles, if any, whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Recoverability of assets to be held and used is measured by comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognised is measured by the amount by which the carrying value of the assets exceeds the fair value of the assets. Assets to be disposed are reported at the lower of the carrying value or the fair value less the cost to sell.

There have been no impairments recorded in any of the periods presented.

1.16 Fair value of financial instruments

The carrying amounts reflected in the balance sheet for cash, cash equivalents, accounts receivable and accounts payable approximate their respective fair values due to the short maturities of these instruments. The exercise of calculating fair value of other financial instruments has not been carried out.

1.17 Concentration of risk

Financial Instruments

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents and trade receivables. The Company's cash resources are invested with corporations, financial institutions and banks with high investment grade credit ratings. In Management's opinion, as of 31st March 2002 and 2001, there was no significant risk of loss in the event of non-performance of the counter parties to these financial instruments, other than the amounts already provided for in the financial statements, if any.

Credit risk

Credit risk with respect to trade receivables is limited due to a large customer base. Exposure to credit reduce is managed through credit approvals, establishing credit limits and monitoring procedures.

Business and general risks

- Changes in government policies
- Increasing competition in domestic market
- Political instability in the Country

1.18 Income Taxes

Income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognised for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in income in the period that includes the enactment date. The measurement of deferred tax assets is reduced, if necessary, by valuation allowance for any tax benefits of which future realisation is uncertain.



NOTES TO FINANCIAL STATEMENTS

1.19 Internal control system

There are adequate internal procedures and controls coupled with internal audit systems commensurate with the size of the Company and nature of its business.

1.20 Recently issued Accounting standards

In June 2001, the Financial Accounting Standards Board ('FASB') issued SFAS 141, *Business Combinations* and SFAS 142, *Goodwill and other Intangible Assets*. SFAS 141 requires that all business combinations be accounted for under a single method- the purchase method. Uses of the pooling-of-interests method is no longer method and is effective for business combinations initiated after June 30, 2001. SFAS 142 requires that goodwill no longer be amortised to earnings, but instead be reviewed for impairment and is effective for fiscal years beginning after December 15, 2001, with earlier application permitted for entities with fiscal years beginning after March 31, 2001.

In August 2001, the FASB issued SFAS 143, *Accounting for Asset Retirement Obligations*. SFAS requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When a liability is initially recorded, the entity capitalises a cost by increasing the carrying amount of the related long lived asset. Over time, the liability is accreted to its present value each period, and the capitalised cost is depreciated over the useful life of the related asset. Upon settlement of the liability, an entity either settles the obligation for its recorded amount or incurs a gain or loss upon settlement. The standard is effective for fiscal years beginning after June 15, 2001, with earlier application encouraged.

In August 2001, the FASB also issued SFAS 144, *Accounting for Impairment or Disposal of Long-Lived Assets*. SFAS 144 requires that those long-lived assets be measured at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or in discontinued operations. Under this standard, discontinued operations will no longer be measured at net realisable value or include amounts for operating losses that have not yet occurred. The provisions of SFAS 144 are effective for financial statements issued for fiscal years beginning after December 15, 2001 and, generally are to be applied prospectively. Early application is encouraged.

Both SFAS 141 and 142 are not currently applicable to the operations of the Company. The company is evaluating the impact of SFAS 143 and 144 on its operations.

2. Notes to financial statements

2.1 Cash, cash equivalents and restricted cash

	<i>(In Rs)</i>	
	2002	2001
Cash and bank balances	11,180,493	12,705,260
Time deposits	19,128,828	7,204,143
Cash and cash equivalents	30,309,321	19,909,403
Restricted cash	150,306,806	172,209,465
	180,616,127	192,118,868

Restricted cash includes margin money (a compensating balance in the range of 10% to 100% of letters of credit and bank guarantee) placed with banks and amounts representing unclaimed dividends and share application money.



NOTES TO FINANCIAL STATEMENTS

2.2 Receivables

The age profile of accounts receivable is as given below:

Period in days	2002		2001	
	In Rs	In %	In Rs	In %
0 30	683,694,236	36.79	443,196,386	31.53
31 60	484,112,632	26.05	408,003,142	29.03
61 90	349,191,043	18.79	302,354,125	21.51
More than 90	341,582,249	18.37	251,959,676	17.93
	1,858,580,160	100.00	1,405,513,329	100.00

Accounts receivable, as a percentage of net revenue for 2002 and 2001 amount to 32.81% and 31.61% respectively. The receivables are considered good and recoverable. Hence no allowance for doubtful debts is made.

2.3 Inventories

Inventories consist of the following:

	(in Rs)	
	2002	2001
Finished Goods	613,569,408	469,187,863
Work-in-Process	599,419,489	414,104,385
Raw Material	763,808,582	590,934,433
Stores, Spares, Packing & Other Material	11,105,787	12,933,332
	1,987,903,266	1,487,160,013

2.4 Prepaid expenses and other current assets

Current portion of prepaid expenses and other current assets consist of the following:

	(in Rs)	
	2002	2001
Prepaid expenses	1,287,317	1,225,894
Advances to employees	1,687,777	1,547,798
Advance to suppliers	123,113,881	56,196,319
Deposits		
- with companies	1,500,000	1,500,000
- with others	15,232,710	9,448,400
Interest receivable on deposits	7,066,996	10,979,234
Other assets	48,070,954	47,566,391
	197,959,635	128,464,036

Non-current portion of prepaid expenses and other assets comprises of:



NOTES TO FINANCIAL STATEMENTS

	<i>(in Rs)</i>	
	2002	2001
Advances to employees	3,375,554	3,095,596
	3,375,554	3,095,596

2.5 Investments

	<i>(in Rs)</i>	
	2002	2001
Available for sale securities		
Equity Shares of:		
Grabal Alok Impex Limited (Associate Company-Quoted)	39,900,000	39,900,000
The Greater Bombay Co-op Bank Ltd	40,000	-
IndusInd Bank Limited (Quoted)	-	711,000
Saraswat Co-op. Bank Limited (Unquoted)	10,000	10,000
	39,950,000	40,621,000
Add: Share of Net Earnings of Associate Company (cumulative)	21,369,276	8,470,298
Less: Dividend received from Associate Company (cumulative)	(2,850,000)	(1,900,000)
Less: Amortisation of excess of cost over share in net assets as on date of acquisition of shares in Associate Company (cumulative)	(17,230,258)	(12,922,693)
Less: Unrealised gain/(loss) on above investments	-	(411,590)
	40,827,428	33,857,015

2.6 Property, plant and equipment - Net

Property, plant and equipment consist of the following:

	<i>(in Rs)</i>	
	2002	2001
Land	49,255,885	46,474,868
Factory Building	406,968,512	237,536,924
Office Premises	20,076,445	20,076,445
Plant, Machinery & Equipment	1,826,107,728	1,039,427,823
Furniture, Fixtures & Office Equipment	99,788,111	49,995,751
Vehicles	18,077,576	14,811,892
	2,420,274,257	1,408,323,703
Accumulated depreciation	461,489,706	312,079,714
	1,958,784,551	1,096,243,989
Capital work-in-progress	1,040,195,474	799,738,082
	2,998,980,025	1,895,982,071

Capital work-in-progress includes capital advances to the extent of Rs.180,061,180/- and Rs.351,078,665/- in 2002 and 2001 respectively.

Depreciation expense amounted to Rs.150,081,234/- and Rs. 106,424,271/- for the years 2002 and 2001 respectively.



NOTES TO FINANCIAL STATEMENTS

2.7 Accounts payable

Accounts payable represents the amount payable to various vendors towards purchase of services and goods in the normal course of business.

The accounts payables as at the year-end are as follows:

	<i>(in Rs)</i>	
	2002	2001
Payables	820,775,844	635,895,993

2.8 Accrued expenses and other liabilities

	<i>(in Rs)</i>	
	2002	2001
Interest accrued but not due	21,613,998	21,229,252
Share application money	–	164,800,000
Unclaimed dividends	1,531,135	903,166
Proposed dividends	37,030,808	39,704,434
Provision for taxes on dividend	1,969,040	4,879,599
Advances from customers	9,274,278	7,873,248
Accrued compensation and other liabilities	–	3,476,300
Creditors for expenses	24,571,673	24,084,119
Creditors for capital goods	15,003,476	5,491,933
	110,994,408	272,444,052

Accrued compensation and other liabilities represent compensation payable to employees and other accrued liabilities payable subsequent to the Balance Sheet date.

2.9 Working capital loans

The aggregate working capital loans as at the year-end are as follows:

Year	Amount in Rs.
2002	1,408,473,090
2001	1,047,163,714

The Company has Fund based limits from bankers to meet its working capital requirements upto Rs.1,400,000,000/- (2001: Rs.1,050,000,000/-) bearing interest at the lending rates applicable from time to time. Working capital limits from banks are secured by hypothecation of Company's stocks & receivables and second charge created/to be created on the fixed assets of the Company, specific immovable properties of associate concerns and personal guarantees of three promoter directors of the Company.



NOTES TO FINANCIAL STATEMENTS

2.10 Long-term obligations

2.10.1 Long-term obligations consist of the following:

	<i>(in Rs)</i>	
	2002	2001
Secured		
14% Non-convertible Debentures	–	50,000,000
20% Non-convertible Debentures	9,998,000	19,999,000
13% Non-convertible Debentures	50,000,000	–
16.5% Non-convertible Debentures	20,000,000	30,000,000
16% Fully Convertible Debentures	–	130,000,000
14% Fully Convertible Debentures	510,308,820	–
Term Loan under TUF from		
- IDBI	588,388,332	230,000,000
- IFCI Ltd	268,500,000	100,000,000
- Exim Bank	249,000,000	162,500,000
Bank of India ECB	–	35,083,099
ICICI Limited corporate loan	90,000,000	97,000,000
IDBI		
- rupee term loan	115,000,000	89,200,000
- foreign currency loan	198,640,977	201,810,833
- under asset credit scheme	–	25,101,317
- corporate loan	100,000,000	127,500,000
IFCI Ltd		
- rupee term loan	103,614,250	133,229,750
- foreign currency loan	40,707,613	52,417,957
- corporate loan	50,000,000	77,000,000
IIBI - rupee term loan	–	24,800,000
The Bank of Rajasthan Ltd	140,000,000	–
UTI Bank Ltd	100,000,000	–
The Karur Vysya Bank Limited	97,000,000	100,000,000
Bank of Bahrain & Kuwait	50,000,000	50,000,000
Hire purchase loans	3,312,559	5,573,458
	2,784,470,551	1,741,215,414
Unsecured		
Deposits from public and directors	18,872,150	19,681,667
Inter-corporate deposits	36,013,075	61,550,000
The Jammu & Kashmir Bank Ltd	75,000,000	–
Landesbank Baden Wurttemberg	64,229,400	–
Development Credit Bank	50,000,000	50,000,000
Bank of India	42,500,000	–
	286,614,625	131,231,667
	3,071,085,176	1,872,447,081
Less: Current portion of long term debts	479,957,068	401,465,933
	2,591,128,108	1,470,981,148



NOTES TO FINANCIAL STATEMENTS

20% Non-convertible Debentures have been privately placed in 1996-1997 with Life Insurance Corporation (LIC), General Insurance Corporation (GIC) and subsidiaries of GIC are redeemable in two equal instalments. The first instalment has already been paid and the second and final instalment falls due on 11th September 2002

16.5% Non-convertible Debentures have been privately placed in 1997-1998 with Unit Trust of India (UTI) are redeemable at par in three equal instalments. The first instalment has already been paid and the other instalments fall due on 25th September 2002 and 25th September 2003.

16.5% Non-convertible Debentures have been privately placed in 1997-1998 with Life Insurance Corporation are redeemable at par in three equal instalments. The first instalment has already been paid and the other two instalments are due on 26th November 2002 and 26th November 2003.

13% Redeemable Non-convertible Debentures privately placed with UTI Bank are redeemable at par at the end of one year from the date of subscription i.e. 22nd October, 2002 with a put/call option at the end of 6 months.

14% Non-convertible Debentures were privately placed in 2000-2001 with UTI Bank Ltd and were redeemed on 22nd November 2001.

16% Fully Convertible Debentures have been privately placed in 2000-2001 with Unit Trust of India (UTI) and Industrial Development Bank of India (IDBI) on 7th July 2000 and were converted into equity shares on 6th January 2002.

16% Fully Convertible Debentures were privately placed in 2000-2001 with Development credit Bank Ltd (DCB) on 21st September 2000 and were converted into equity shares on 20th March 2002.

The Company has created a reserve for redemption of the above stated debentures, with transfers to the reserve to be made over the duration of the debt.

2.10.2 Long-term debts repayable in the next five years

Scheduled annual maturities of total long-term obligations as of March 31, 2002 are as follows:

Year ending March 31,	(in Rs) Amount
2003	479,957,068
2004	318,757,757
2005	398,306,685
2006	362,753,926
2007	348,833,681
	<hr/> 1,908,609,117

2.10.3 Security particulars

Rupee, Foreign Currency Term Loans under project finance scheme and TUFs loans from IDBI, IFCI Ltd., Exim Bank, Corporate Loan from IDBI, IFCI Ltd and ICICI Limited are secured by pari passu charge on all present and future movable and immovable assets of the Company, subject to prior charge on specified movables in favour of the Company's Bankers for their working capital facilities and personal guarantees of promoter directors of the Company.

Asset Credit Loan from IDBI and Hire Purchase Loans are secured by exclusive first charge by way of hypothecation of the Company's movable machinery, spares, tools, accessories, office equipments, vehicles etc acquired by the Company out of the proceeds of the loan.



NOTES TO FINANCIAL STATEMENTS

20% and 16.50% Non-Convertible Debentures are secured by pari passu charge created/to be created on all present and future movable and immovable assets of the Company, subject to prior charge on specified movables in favour of the Company's Bankers and personal guarantees of three promoter directors.

13% Redeemable Non-convertible Debentures privately placed with UTI Bank Ltd are secured/to be secured by way of second pari passu charge on the Fixed Assets of the Company and personal guarantee of the Managing Director.

14% Fully Convertible Debentures ('FCDs' of Rs.90/- each are convertible into equity share at the expiry of 15 months from the date of allotment i.e. on 5th December 2002. These FCDs are secured by way of second charge (equitable and registered mortgage) on immoveable properties of the Company.

The loan from Bank of Bahrain & Kuwait B.S.C. and Development Credit Bank Ltd. is secured/to be secured by second charge on fixed assets and personal guarantee of managing Director of the Company.

The Corporate loan from The KarurVysya Bank is secured/to be secured by pari passu charge on current assets of the Company.

The Corporate loan from UTI Bank Ltd is secured by way of subservient charge over the assets of the Company and personal guarantees of promoter directors.

2.11 Restrictive covenants

Significant restrictive covenants with respect to borrowings from lenders are as given below:

The Company shall not during the subsistence of the liability of the Company to the lender or in respect of any of the aforesaid credit facilities without written consent of the lender:

- change or in anyway alter the capital structure
- formulate any scheme of amalgamation or reconstitution/ reconstruction
- implement a new scheme of expansion or take up an allied line of business or manufacture
- undertake any guarantee obligations on behalf of any other company (including group companies)
- declare or pay any dividend out of the current profits to its shareholders during any financial year unless it has paid all the dues to the lenders upto the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions thereof.
- permit any transfer of the controlling interest or make any drastic change in the management set-up
- use the assistance for any purpose other than for which the assistance has been sanctioned.
- undertake any new project, except in the ordinary course of the business or with the prior approval.
- escrow its future cash flows or create any charge or lien or interest of whatsoever nature thereon without prior permission of FIs.
- convert itself from a Public limited company to a Private limited company during the currency of the loan.

2.12 Redeemable preferred stock

Particulars	2002		2001	
	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
Authorised par value of Rs.10 per share	25,000,000	250,000,000	25,000,000	250,000,000
Issued preferred capital stock	6,800,000	56,000,000	6,800,000	62,000,000

Preferred capital stock represents cumulative redeemable preference shares of Rs. 10 each.
Out of 5,600,000 cumulative redeemable preferred stock:



NOTES TO FINANCIAL STATEMENTS

- a) 1,800,000 15% Cumulative Redeemable Preference Shares are redeemable at par in three equal instalments. The first and second instalments have already been paid and the final instalment falls due on 2nd December, 2002.
- b) 4,000,000 10.5% Cumulative Redeemable Preference Shares are redeemable at par on 26th May, 2003.
- c) 1,000,000 12% Cumulative Redeemable Preference Shares are redeemable at par in three equal annual instalments in the 3rd, 4th and 5th year from the date of allotment i.e. on 23rd August 2003, 23rd August 2004 and 23rd August 2005.

The dividend on preference stock is payable on a yearly basis.

Preferred stock holders have preference over common stock holders in dividend and liquidation rights.

2.13 Stockholders equity

Particulars	2002		2001	
	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
Authorised par value of Rs.10 per share	55,000,000	550,000,000	55,000,000	550,000,000
Issued preferred capital stock	42,290,688	422,906,880	28,385,488	283,504,880

The Company has only one class of common stock. Out of the 42,290,688 equity shares:

- a) 745,396 equity shares were allotted as fully paid up bonus shares.
- b) 1,240,000 equity shares were privately placed with Indiaman Mauritius Limited at a premium of Rs.8 per share.
- c) 8,777,000 equity shares were privately placed with Century Direct Fund during the previous year at a premium of Rs.7.50 per share.
- d) 365,700 equity shares were privately placed with TCFC Finance Limited during the previous year at a premium of Rs.7.50 per share.
- e) 2,250,000 equity shares were allotted to promoters during the previous year by way of preferential issue at a premium of Rs.10 per share.
- f) 1,419,500 equity shares were allotted to IFCI on conversion of the preference shares.
- g) 2,590,000 equity shares were allotted to IDBI on conversion of the optionally fully convertible debentures.
- h) 473,000 equity shares were allotted to ICICI on conversion of the preference shares.
- i) During the year, 6,716,400 equity shares were allotted to IDBI on conversion of Fully Convertible Debentures on 6th January, 2002.
- j) During the year, 4,477,600 equity shares were allotted to UTI on conversion of Fully Convertible Debentures on 6th January, 2002.
- k) During the year, 746,200 equity shares were allotted to Alok Knit Exports Ltd on conversion of Fully Convertible Debentures on 6th January, 2002.
- l) During the year, 2,000,000 equity shares were allotted to Development Credit Bank on conversion of Fully Convertible Debentures on 20th March, 2002.



NOTES TO FINANCIAL STATEMENTS

2.14 Common stock

Voting

Holders of common stock have one vote in respect of each share held by them in the records of the Company for all matters submitted to a vote.

Dividend

The dividend, when declared by the Company, will be paid in Indian Rupees.

The Indian statutes require that dividend shall be declared out of the distributable profits only after the transfer of upto 10% of the net income computed in accordance with current regulations to a general reserve. The Indian statutes on foreign exchange govern the dividend payments outside India.

Liquidation

In the event of any liquidation of the affairs of the Company, the holders of common stock shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of common stock held by the shareholders.

2.15 Other income, net

Other income consists of the following:

	<i>(in Rs)</i>	
	2002	2001
Rent	480,000	854,000
Sale of export entitlements	-	-
Dividend income	40,940	21,950
	520,940	8,75,950

2.16 Employee post - retirement benefits.

2.16.1 Provident fund benefits

The Company contributed Rs.2,831,055/- and Rs.2,093,622/- in 2002 and 2001 respectively to the provident fund plan.

2.16.2 Gratuity benefits

Contributions made by the Company to the gratuity plan managed by the Life Insurance Corporation of India were Rs.502,930/- and Rs.302,691/- in 2002 and 2001 respectively.

2.17 Income taxes

The components of the provision for income taxes are as follows for the period ended March 31:

	<i>(in Rs)</i>	
	2002	2001
Current income taxes	30,000,000	25,000,000
Deferred income taxes	(190,936,086)	66,176,623
Aggregate taxes	(160,936,086)	91,176,623



NOTES TO FINANCIAL STATEMENTS

The Company's total deferred tax assets and deferred tax liabilities at March 31, are as follows:

	<i>(in Rs)</i>	
	2002	2001
Total deferred tax assets	48,451,761	36,254,043
Total deferred tax liabilities	(76,826,075)	(251,564,444)
Net deferred tax assets/ (liabilities)	(24,374,314)	(215,310,401)

Deferred income taxes are provided on timing differences resulting from differences in depreciation expense and write off available for deferred expenses for book and income tax purposes, expenses disallowed for income tax purposes, etc.

2.18 Transactions with related parties

The Company accepted/advanced interest-free deposits from/to companies in which the Directors of the reporting entity are interested. The following are the balances payable as at the balance sheet date:

	<i>(in Rs)</i>	
	2002	2001
Ashok B. Jiwrajka	33,377	138,377
Chandrakumar Bubna	288,370	393,490
Dilip B. Jiwrajka	123,291	230,975
Grabal Alok Impex Ltd.	11,713,074	-
Surendra B. Jiwrajka	8,157	98,511
Honey Comb-Knit Fabrics	1,000,000	-
Tulip Textiles	1,000,000	-
Vaibhav Knit Fab	1,000,000	-
	15,166,269	861,353

The estimated fair value amounts of the related party receivables at the Balance Sheet date are as follows:

	<i>(in Rs)</i>	
	2002	2001
Alok A. Jiwrajka	-	4,757
Chandrakala A. Jiwrajka	-	274
Nirwan Clothing Co. Limited	-	2,815,355
	-	2,820,386

The Company has given advances toward share application money to related parties. The following are the balance outstanding at the balance sheet date:

	<i>(in Rs)</i>	
	2002	2001
Alok i-tec Limited	1,571,320	1,571,320
Globus E-Commerce Limited	3,207,740	6,487,740
	4,779,060	8,059,060



NOTES TO FINANCIAL STATEMENTS

The Company has taken premises on rent from the related parties for which it has given deposits to the related parties. Details are as under:

	<i>(in Rs)</i>	
	2002	2001
D. Surendra & Co.	3,500,000	3,500,000
Jiwrajka Associates Private Limited	1,500,000	1,500,000
Ashok B. Jiwrajka	500,000	500,000
Dilip B. Jiwrajka	500,000	500,000
Surendra B. Jiwrajka	500,000	500,000
	6,500,000	6,500,000

The Company has paid rent for the above premises as under:

	<i>(in Rs)</i>	
	2002	2001
D. Surendra & Co.	420,000	423,930
Jiwrajka Associates Private Limited	248,880	248,880
Ashok B. Jiwrajka HUF	27,000	36,000
Dilip B. Jiwrajka HUF	27,000	36,000
Surendra B. Jiwrajka HUF	27,000	36,000
Ashok B. Jiwrajka	9,000	-
Dilip B. Jiwrajka	9,000	-
Surendra B. Jiwrajka	9,000	-
Alok Textile Traders	432,600	432,600
Pramatex Enterprises	432,600	432,600
Nirvan Exports	739,800	739,800
	2,381,880	2,385,810

The Company has given premises on rent to the related parties for which it has taken deposits from the related parties. Details are as under:

	<i>(in Rs)</i>	
	2002	2001
Alok Knit Exports Limited	2,500,000	2,500,000
Alok Denims (India) Pvt. Ltd.	2,500,000	2,500,000
Honey Comb-Knit Fabrics	1,250,000	-
Pramita Creations Private Ltd	1,250,000	-
Tulip Textiles	1,250,000	-
Vaibhav Knit Fab	1,250,000	-
	10,000,000	5,000,000



NOTES TO FINANCIAL STATEMENTS

The Company has taken rent for the above premises as under:

	<i>(in Rs)</i>	
	2002	2001
Alok Knit Exports Ltd.	120,000	120,000
Alok Denim India Pvt. Ltd	120,000	110,000
Honey Comb-Knit Fabrics	60,000	-
Pramita Creation Pvt. Ltd.	60,000	-
Tulip Textiles	60,000	-
Vaibhav Knit Fab	60,000	-
	480,000	230,000

Other related party transactions are as follows:

Particulars	<i>(in Rs)</i>			
	Sales		Purchases	
	2002	2001	2002	2001
Alok Textile Traders	-	-	770,018	106,019
Alok Denim India Pvt Ltd	-	-	9,785,067	6,184,350
Buds Clothing Co	457,247	-	3,721,380	1,550,462
Alok Knit Exports Limited	-	2,498,914	5,993,600	16,319,590
Pramita Creation Pvt. Ltd.	-	-	2,959,900	-
Tulip Textiles	-	-	5,977,845	-
Vaibhav Knit Fab	-	-	5,745,370	-
Grabal Alok Exports Limited	127,722,576	34,332,818	1,263,617	19,038
Pramatex Enterprises	-	-	582,925	86,045
	128,179,823	36,831,732	36,799,722	24,265,504

2.19 Commitment and Contingencies

	<i>(in Rs)</i>	
Particulars	2002	2001
Bank guarantees	20,611,871	17,219,055
Guarantees to financial institutions for third parties	187,000,000	202,500,000
Claims against the Company not acknowledged as debts (disputed income tax demands)	26,442,996	27,521,503
Bills discounted	63,201,716	97,716,359
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	216,499,915	768,611,186

The Company's banks have issued performance guarantees to Government authorities for statutory purposes.

The Company is under an obligation to export processed woven/knitted cotton, viscose and blended fabrics under the Export Promotion Capital Goods Scheme against licences issued to it under the said scheme aggregating to US \$ 21,067,516 (previous year US\$ 10,195,483).



NOTES TO FINANCIAL STATEMENTS

The export obligation is four times the CIF value of Capital Goods imported against the respective licences and is to be completed within a period of five years from the date of the licence. Non-fulfilment of the export obligation within the stipulated period would entail payment of additional import duty at normal rates alongwith interest as stipulated under the said Scheme.

2.20 Litigation

There is no pending litigation against the Company.

2.21 Earnings per share

	<i>(in Rs)</i>	
Year ended March 31	2002	2001
Numerator for basic earnings per share		
Net earnings		209,520,816
Denominator for basic earnings per share		
Weighted average shares		28,311,071
Basic earnings share		7.40

2.22 Research and development expenses

Selling, general and administrative expenses in the accompanying income statement include research and development expenses. Development expenses are incurred in the normal routine of the business and are not separately identifiable hence not quantified.

2.23 Segment reporting

The geographical segment information on the basis of markets is given below:

	Net Revenues			
	2002		2001	
	In Rs	%	In Rs	%
<u>Revenues</u>				
India	5,450,847,761	96.23	4,273,532,786	96.11
Kenya	56,283,402	0.99	17,401,902	0.39
Bangladesh	61,084,990	1.08	37,653,583	0.85
Sri Lanka	27,004,846	0.48	23,801,370	0.54
Nepal	1,663,228	0.03	2,270,217	0.05
U.K.	14,289,470	0.25	19,197,828	0.43
Other countries	53,117,948	0.94	72,558,168	1.63
	5,664,291,645	100.00	4,446,415,854	100.00

Business segment-wise information is given below:



NOTES TO FINANCIAL STATEMENTS

	Net Revenues			
	2002		2001	
	In Rs	%	In Rs	%
<u>Divisions</u>				
Fabric	4,250,530,388	75.04	3,647,003,936	82.02
Knitting	608,349,726	10.74	315,399,985	7.09
Processing	300,060,930	5.30	81,351,650	1.83
Yarn	492,346,013	8.69	400,022,979	9.00
Other	13,004,588	0.23	2,637,304	0.06
	5,664,291,645	100.00	4,446,415,854	100.00

2.24 Significant customers

The Company is not dependent on any few customers and none of them individually or as a group can be termed as significant customers.



SHAREHOLDER INFORMATION

1. Annual General Meeting
 - Date and Time: 27th September 2002 at 11.00 a.m.
 - Venue: ORT SIMEON SEMINAR CENTRE,
ORT India Building,
68, Worli Hill Road,
Worli,
Mumbai-400 018.

2. Financials Calendar (tentative)

Annual General Meeting	September 2003
Results for quarter ending June 30, 2002	Last week of July, 2002
Results for quarter ending September 30, 2002	Last week of October, 2002
Results for quarter ending December 31, 2002	Last week of January, 2003
Results for quarter ending March 31, 2003	Last week of April, 2003

3. Book Closure Date 19th September 2002 to 27th September 2002 (both days inclusive)

4. Dividend Payment Date On or before 26th October 2002

5. Listing of Equity Shares on Stock Exchanges at Mumbai, Ahmedabad, Delhi, Chennai and National Stock Exchange of India Limited

6. Stock Code

The Stock Exchange, Mumbai	521070
Madras Stock Exchange Limited	ALK
The Delhi Stock Exchange Association Limited	101222
The Stock Exchange, Ahmedabad	ALOKIND-03240
National Stock Exchange Limited	ALOKTEXTEQ

7. Demat ISIN Numbers in NSDL & CSDL
 - Equity Shares ISIN No.: INE 270A01011
 - 14% Fully-Convertible Debentures ISIN No.: INE 270A07018



SHAREHOLDER INFORMATION

8. Registrar and Transfer Agents (Share transfer and communication regarding share certificates, dividends and change of address)
- Intime Spectrum Registry Limited
260 A, Shanti Industrial Estate,
Sarojini Naidu Road,
Mulund (West), Mumbai-400080.

9. Share Transfer System
- The share transfers which are received in physical form are processed and the share certificates returned within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Company has, as per SEBI guidelines with effect from 21st March 2000, offered the facility of transfer cum demat.

Shares held in the dematerialised form are electronically traded in the Depository. The Registrar and Share Transfer Agents of the Company periodically received from the Depository the beneficiary holdings so as to enable them to update their records and to send all corporate communications, dividend warrants, etc.

Physical shares received for dematerialisation are processed and completed within a period of 15 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to the Depository Participants under advice to the shareholders.

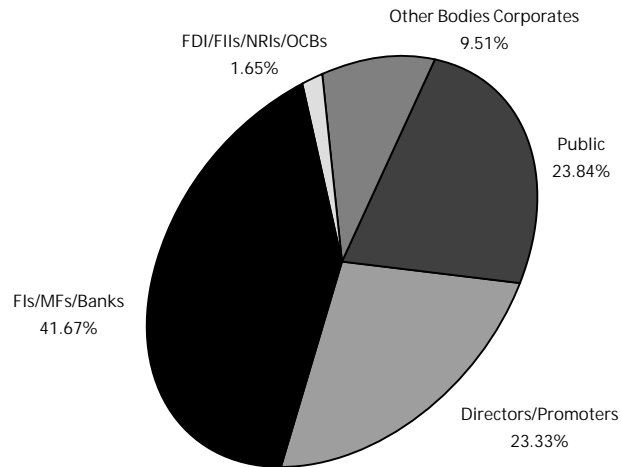
10. Distribution of shareholding as on 31st March 2002

No of Shares	No of Shareholders	% of Shareholders	No of Shares Held	% to total
1-5000	12,773	78.75	2,73,38,860	6.47
5001-10000	1,796	11.07	1,50,27,300	3.55
10001-20000	767	4.73	1,18,85,750	2.81
20001-30000	302	1.86	79,20,020	1.87
30001-40000	125	0.77	45,30,490	1.07
40001-50000	91	0.56	43,10,250	1.02
50001-100000	186	1.15	1,36,71,860	3.23
100001 and above	180	1.11	33,82,22,350	79.98
Total	16,220	100.00	42,29,06,880	100.00



SHAREHOLDER INFORMATION

11. Distribution of Shareholding as on 31st March 2002



- | | | |
|--|--|--|
| 12. Investor Correspondence: (For Transfer/ Dematerialisation of shares, interest and redemption of debentures and any other query relating to the shares and debentures of the Company) | For Shares held in Physical form
Intime Spectrum Registry Limited
260 A, Shanti Industrial Estate,
Sarojini Naidu Road,
Mulund (West), Mumbai-400080. | Shares held in Demat form
To the Depository Participant |
| 13. Compliance officer for Investor redressal | K.H. Gopal
Vice President (Legal) & Company Secretary,
Alok Industries Limited
Registered Office: B/43, Mittal Tower,
Nariman Point, Mumbai- 400 021.
Tel:- (022) 494 0129, Fax:- (022) 493 6078
Email: gopal@alokind.com | |
| 14. Web Site | Please visit us at http://www.alokind.com for financial and other information about the Company on the world-wide web. | |



SHAREHOLDER INFORMATION

15. Equity History

Year	Shares (Nos)	Face Value (Rs.)	Cummulative share capital	Particulars
1986	400	10/- each	4000	Issued to Promoters
1988	215000	10/- each	2154000	Issued to Promoters
1989	32100	10/- each	2475000	Issued to Promoters
1992	237200	10/- each	4847000	Issued to Promoters
1992	247500	10/- each	7322000	Bonus
1993	497896	10/- each	12300960	Bonus
1993	265000	10/- each	14950960	Issued to Promoters
1993	2250000	10/- each	37450960	Public Issue
1997	7490192	10/- each	112352880	Rights Issue (2:1)
1997	1240000	10/- each	124752880	Private Placement with FII
1998	2250000	10/- each	147252880	Preferential issue to promoters
1998	9142700	10/- each	238679880	Private Placement of equity shares with FDI
2000	2590000	10/- each	264579880	Conversion of Optionally Fully Convertible Debentures issued to FI into equity shares
2000	1892500	10/- each	283504880	Conversion of Preference shares issued to FIs
2002	13940200	10/- each	422906880	Conversion of Privately Placed Secured Fully Convertible Debentures issued to FIs /Banks into equity shares

PROXY FORM

ALOK INDUSTRIES LIMITED
Registered Office : B/43, Mittal Tower, Nariman Point,
Worli, Mumbai - 400 018



Registered Folio No. _____ DP.ID - Client ID _____ Proxy No. _____

No. of Shares _____

I/We _____ of _____ in the district of _____ being a member/members of Akok Industries Limited, hereby appoint _____ of failing him _____ of _____ in the district of _____ as my/our proxy to attend and vote for me/us and on my/our at the Sixteenth Annual General Meeting of the Company to 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 and at any adjournment thereof.

Signed on this _____ day of _____ 2002

Affix
30 p.
Revenue
Stamp

Signature (s) of Member (s)

NOTE: The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.

TEAR HERE

TEAR HERE

ATTENDANCE SLIP

ALOK INDUSTRIES LIMITED
Registered Office : B/43, Mittal, Tower, Nariman Point,
Mumbai - 400 021



Folio No./DP.ID - Client ID No. _____

Name & Address: _____

I hereby record my presence at the Sixteenth Annual General Meeting of the Company being 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 and at any adjournment thereof.

Signature of Member/Joint member
Proxy attending the meeting

Please complete this Attendance Slip and bring the slip to the meeting.

BOOK POST

If Undelivered, please return to:
Intime Spectrum Registry Private Limited
(Unit : ALOK INDUSTRIES LIMITED)
260A, Shanti Industrial Estate, Sarojini Naidu Road,
Mulund (West), Mumbai - 400 080.