Quest for Excellence

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

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

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

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

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

We constantly adopt new technologies and are well equipped to face the challenges in the post-Gatt era.

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

CONTENTS

BOARD OF DIRECTORS

Ashok B. Jiwrajka
Executive Chairman

Dilip B. Jiwrajka
Managing Director

Surendra B. Jiwrajka
Executive Director

Chandrakumar Bubna
Executive Director

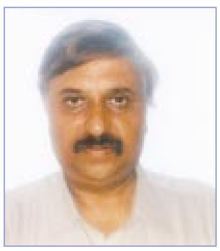
Ashok G. Rajani
Director

K.R. Modi
Director

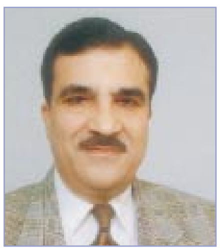
Ashok Kumar
Nominee Director of
Industrial Development
Bank of India

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

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



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



A. K. Bhan
Nominee Director
of IFCI Limited

OTHER INFORMATION

Bankers

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

Statutory Auditors

Gandhi & Parekh
Chartered Accountants

International Accountants

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

Internal Auditors

RSM & Co.,
Chartered Accountants

Devdhar Joglekar & Srinivasan
Chartered Accountants

N.T. Jain & Co.,
Chartered Accountants

Legal Advisors & Solicitors

Kanga & Co.

Vice President (Legal) & Company Secretary

K. H. Gopal

Listing

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

Share Transfer Agents

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

ISIN for dematerialisation of shares

INE 270A01011

Website Address

www.alokind.com

E-mail Address

info@alokind.com

Registered Office

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

Corporate Office

108, Shah & Nahar (Worli) Industrial Estate,
Off Dr. E. Moses Road,
Worli, Mumbai – 400 018

Delhi Office

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

Works

Weaving

a) Babla Compound, Kalyan Road,
Bhiwandi – Dist. Thane

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

Processing

a) Plot No.C-16/2, Village Pawane,
TTC Industrial Area, MIDC, Navi Mumbai
District: Thane

b) Survey No.268, Village Balitha,
Taluka Pardi, Dist: Valsad
State: Gujarat

Knitting

a) Survey No.17/5/1, Rakholi, Silvassa,
Union Territory of Dadra & Nagar Haveli

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

Texturising

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

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

Dear Members,

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

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

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

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

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

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

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

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

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

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

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

Thank you,

ASHOK B. JIWRAJKA
EXECUTIVE CHAIRMAN

FINANCIAL HIGHLIGHTS

(Rs. in Crores)

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

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

* Based on Quasi Networth

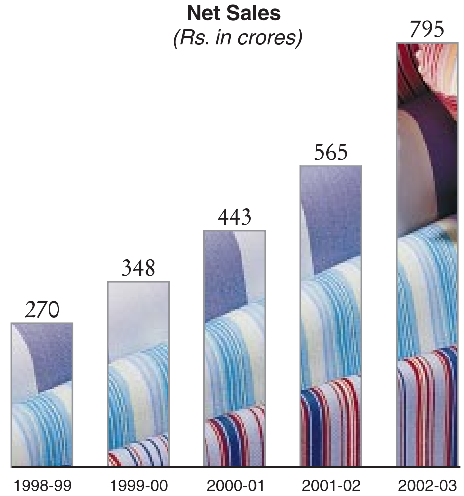
LABORATORY EQUIPMENTS

Color Solution and Dispensing System-Datacolor

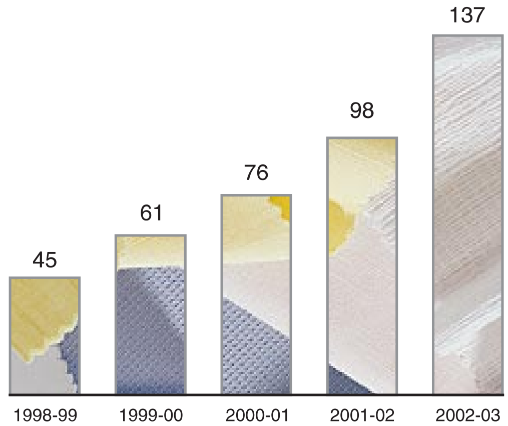
Pilling and Abrasion Tester- James Heal

Continuous Dyeing Sampling Machine-Werner Mathis

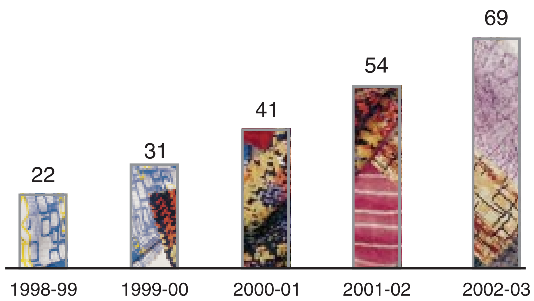
Net Sales
(Rs. in crores)



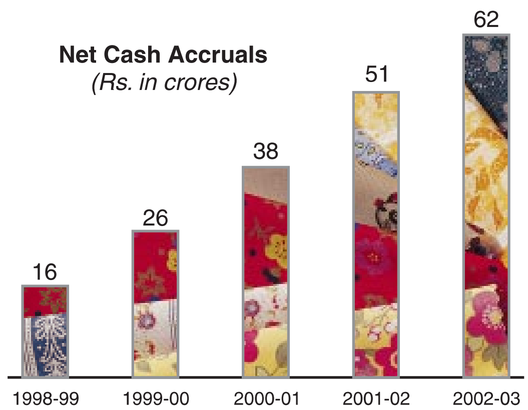
Operating Profit
(Rs. in Crores)



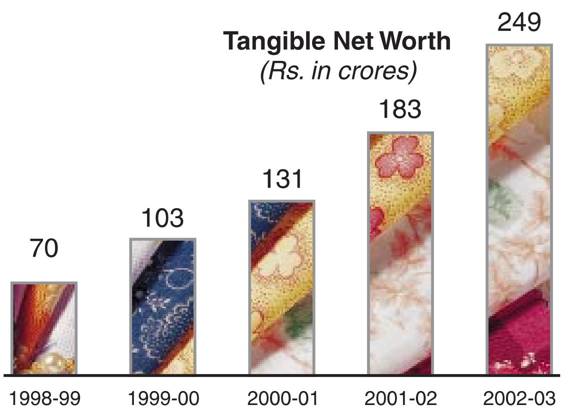
Cash Profit
(Rs. in crores)



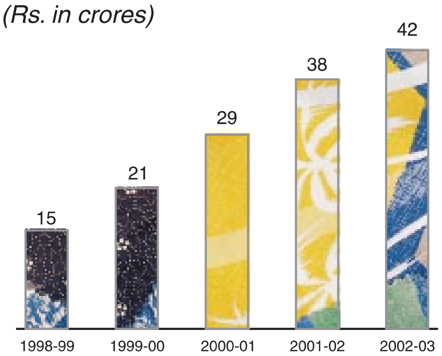
Net Cash Accruals
(Rs. in crores)



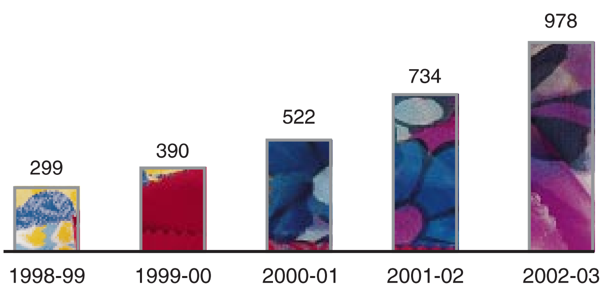
Tangible Net Worth
(Rs. in crores)



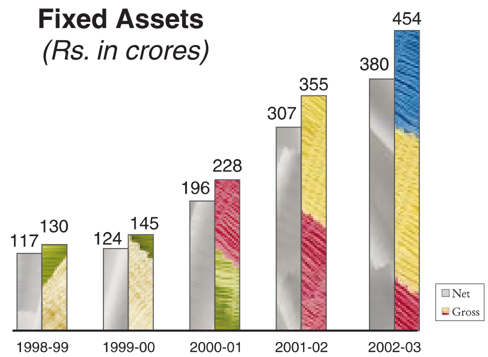
Profit After Tax
(Rs. in crores)



Total Assets
(Rs. in crores)



Fixed Assets
(Rs. in crores)



NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the members of **ALOK INDUSTRIES LIMITED** will be held on Tuesday, the 30th day of September, 2003 at 11.00 A.M. at **ORT SIMEON SEMINAR CENTRE,** ORT India Building, 68, Worli Hill Road, Worli, Mumbai - 400 018 to transact the following businesses.

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2003, the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividends on Preference and Equity Shares.
3. To appoint a Director in place of Shri Surendra B. Jiwrajka who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Chandrakumar Bubna who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. To appoint Auditors and to fix their remuneration and for that purpose to pass with or without modification, the following Resolution as a **SPECIAL RESOLUTION :**

   "RESOLVED THAT the Company's Auditors, M/s.Gandhi & Parekh, who retire, but being eligible, offer themselves for re-appointment, be and are hereby re-appointed as Auditors of the Company from the conclusion of this Meeting until the conclusion of the next Annual General Meeting at a remuneration as may be agreed upon between the Board of Directors and M/s.Gandhi & Parekh.

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

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

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

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

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

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

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

By Order of the Board

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

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

Mumbai: September 6, 2003

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 Friday, the 26th day of September, 2003 to Tuesday, the 30th September, 2003 (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 (i) to those members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company's Registrars and Share Transfer Agents M/s.Intime Spectrum Registry Limited as on 30th day of September, 2003 ; and (ii) in respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited.

5. Members are requested to notify immediately any change in their address to the Transfer Agent M/s INTIME SPECTRUM REGISTRY LIMITED, C-13,Pannalal Silk Mills Compound, L B S Marg, Bhandup (West), Mumbai-400 078 ; Tel.No.: 55555454; Fax No.25672693.

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.

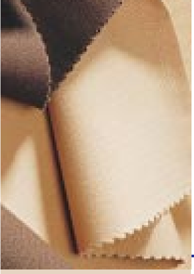
   The dividend for the year 1996 will be transferred to the Investor Education and Protection Fund on 21st September, 2003. Members who have not encashed their dividend warrants pertaining to the year 1995 – 1996 have already been informed through a separate individual written notice to approach the Company's Registrar and Share Transfer Agent M/s.INTIME SPECTRUM REGISTRY LIMITED, C-13,Pannalal Silk Mills Compound, L B S Marg, Bhandup (West), Mumbai-400 078, on or before 15th September, 2003, to check up and send their claims, if any, before the amounts become due for transfer to the above fund.

   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
23.09.1997	31.03.1997	30.10.2004
22.09.1998	31.03.1998	29.10.2005
23.09.1999	31.03.1999	30.10.2006
20.10.2000	31.03.2000	27.11.2007
25.09.2001	31.03.2001	02.11.2008
27.09.2002	31.03.2002	04.11.2009

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

8. As per the recommendation of the SEBI Committee on Corporate Governance for appointment of the Directors/re-appointment of the retiring Directors and as required by the provisions of the Listing Agreement, 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 Jeejebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001

National Stock Exchange of India Limited,
Exchange Plaza, 5th Floor,
Plot No.C/1, "G" Block,
Bandra (East), Mumbai - 400 051.

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

Madras Stock Exchange Limited.
Exchange Building,
Post Box No. 183, 11, Second Line Beach,
Madras - 600 001.

The Delhi Stock Exchange Association Limited,
DSE House, 3/1,
Asaf Ali Road, Bandra-Kurla Complex,
New Delhi-110 002.

The Listing fees in all the above stated Exchanges have been paid upto March 31, 2004.

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. Members desiring any information as regards to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

By Order of the Board

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

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

Mumbai: September 6, 2003

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

Item No.5

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 are concerned or interested in the resolution.

Item No.6

Presently, the shares of the Company are listed on the following five Stock Exchanges in India:

1. The Stock Exchange, Mumbai;
2. National Stock Exchange of India Limited;
3. The Stock Exchange, Ahmedabad;
4. The Delhi Stock Exchange Association Limited; and
5. Madras Stock Exchange Limited.

Consequent to the recent changes in the Capital Market and since substantial volume of trading in the Company's shares is put through the Stock Exchange, Mumbai and National Stock Exchange of India Limited, the trading volumes at the other stock exchanges is gradually getting reduced to a substantial extent or is almost to nil. SEBI has also specified the shares of the Company for compulsory trading in demat form by all investors.

No particular benefit is therefore available to the shareholders of the Company by continuing the listing of shares of the Company on the other Stock exchanges excepting the Stock Exchange, Mumbai and National Stock Exchange of India Limited who are having nationwide trading terminals and the investors have access to trade and deal in the Company's shares across the country. As per the applicable SEBI Guidelines, no exit option is required to be given to the shareholders of the regions where the aforesaid Stock Exchanges are situated as the Company's shares are listed on the Stock Exchange, Mumbai and National Stock Exchange of India Limited.

Your Directors recommend the Special Resolution for the approval of members.

None of the Directors of the Company are, in any way, concerned or interested in the resolution.

Item No.7

The members, at the Extra-Ordinary General Meeting held on 10th March, 1998, had renewed the appointment of Shri Ashok B. Jiwrajka, Shri Dilip B. Jiwrajka, Shri Surendra B. Jiwrajka as Whole-time Directors designated as Executive Chairman, Managing Director and Executive Director respectively for a further period of 5 years with effect from 10th March, 1998 on the terms and conditions contained in the Agreements all dated 10th March, 1998 entered into between the Company and the respective Whole-time directors. The Board of Directors have since renewed the respective Agreements vide their resolution dated 30th January, 2003 for a further period of 5 years effective from 10th March, 2003. As per the original member's approval, the Board of Directors were given the authority to revise the remuneration of the Whole-time Directors within the prescribed limits.

The Executive Chairman, Managing Director and Executive Directors of the Company, are entitled to monthly salary and in addition thereto perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses/or allowances for utilisation of gas, electricity, water, furnishing and repairs; medical reimbursement; leave travel concession for self and their family including dependents; club fees, medical insurance and such other perquisites and/or allowances, upto the amounts specified for each of them, subject to overall ceiling of remuneration stipulated in Section 198 and 309 of the Companies Act, 1956. The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force).

In addition to the salary, perquisites and allowances as above, the aforesaid whole-time directors shall also be entitled to receive commission. Such Commission, in the aggregate, shall not be more than 1% of the net profit of the Company, but the overall remuneration by way of salary, perquisites, allowances and commission, to all the aforesaid Whole-time Directors put together shall not exceed in the aggregate 10% of the net profits of the Company calculated as per the provisions of the Companies Act.

In the event of loss or inadequacy of profits in any financial year during the currency of their respective tenure, the Company will pay remuneration by way of salary, perquisites and allowances not exceeding the ceiling limits set out in Section II part II of Schedule XIII to the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force).

The above re-appointments may be approved by the members in General Meeting and the Directors commend this resolution for acceptance by the members.

The Agreements entered between the Company and each of Shri Ashok B. Jiwrajka, Shri Dilip B. Jiwrajka and Shri Surendra B. Jiwrajka are available for inspection by the members of the Company at the Corporate Office of the company between 11.00 a.m. to 1.00 p.m. on all working days of the Company, except Saturdays, upto the date of the meeting.

The above may be treated as an abstract of the respective Agreements entered into between the Company and Shri Ashok B. Jiwrajka, Shri Dilip B. Jiwrajka and Shri Surendra B. Jiwrajka, pursuant to Section 302 of the Companies Act, 1956.

Shri Ashok B. Jiwrajka, Shri Dilip B. Jiwrajka and Shri Surendra B. Jiwrajka are interested in this resolution. Shri Ashok B. Jiwrajka, Shri Dilip B. Jiwrajka and Shri Surendra B. Jiwrajka may be also deemed interested in the resolution as they are related to one another. Save and except the above, none of the other Directors of the Company are, in any way concerned or interested in the resolution.

By Order of the Board

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

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

Mumbai: September 6, 2003

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING

(In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr. Surendra B. Jiwrajka	Mr. Chandrakumar Bubna
Date of Birth	17.10.1958	15.01.1953
Date of Appointment	12.03.1986	27.05.1993
Profession	Industrialist	Industrialist
Expertise in specific functional areas	Production and Marketing of Yarn and Knitted Fabrics, Exports and Project Management	Marketing of Woven and Knitted Fabrics.
Qualifications	B. Com	B. Com
List of outside Directorship held excluding Alternate Directorship and of Private Companies	Grabal Alok Impex Limited Alok Knit Exports Limited	Grabal Alok Impex Limited
Chairman/Member of the Committee of Board of Directors of the Company.	Member of Executive Committee and Share Transfer/Share holder Grievances Committee.	Nil
Chairman/Member of the Committee of the Board of Directors of other Companies in which he is a Director	Member of Executive Committee of Grabal Alok Impex Limited.	Nil

Dear Shareholders,

Your Directors have pleasure in presenting the Seventeenth Annual Report and the Audited Accounts for the financial year ended 31st March 2003.

Financial Results

Your Company's performance during 2003 is summarised below:

(Rs. in crores)

Particulars	2002-03	2001-02
Sales / Job charges	**795.41**	564.97
Other Income	**0.18**	0.15
Total Income	**795.59**	565.12
Operating Expenditure	**659.30**	467.76
Profit before interest, depreciation & taxes	**136.29**	97.36
Interest	**51.51**	39.17
Depreciation	**25.42**	15.74
Profit Before Tax	**59.36**	42.45
Provision for Taxation – Current	**4.50**	3.00
– Deferred	**12.55**	1.54
Profit After Tax	**42.31**	37.91
Add: Balance brought forward	**80.40**	50.25
Add: Excess/(Short) provision of tax in respect of earlier year	**0.12**	(0.40)
Less: Provision for deferred tax for earlier years	**(21.14)**	-
Balance available for appropriation	**101.69**	87.76
Dividend: Equity	**5.69**	2.45
Preference	**0.60**	0.76
Tax on Dividend	**0.75**	0.05
Transfer to Capital Redemption Reserve	**0.60**	1.10
Transfer to General Reserve	**6.00**	3.00
Balance carried to Balance Sheet	**88.05**	80.40

Dividend

Your Directors have recommended a dividend of Re. 1.00 per equity share entailing Rs.5.69 crores (excluding tax of Rs.0.73 crore) for the financial year ended 31st March 2003, 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 30th September 2003.

The payout on account of dividend on preference shares will be Rs. 0.60 crores (excluding tax of Rs.0.02 crores).

Operations

The performance of your Company for the year under review has been satisfactory. Your Company recorded sales of Rs. 795.41 crores, an increase of 40.79% over the previous year. The Profit before tax grew to Rs.59.36 crores, a 39.84% increase over the previous year. Your Company's exports (including exports incentive) increased to Rs.26.62 crores from Rs.22.94 crores representing an increase of 16.04%. Increase in sales was mainly due to improved capacity utilisation and commencement of operations from the new processing and texturising plants. The Company also increased its outsourced capacities to meet its increased demand.

Textile Industry Outlook

Indian Textile and Clothing Industry is showing strong indications of buoyancy both in the domestic and export market fronts. Government economic reforms have positively impacted the Industry and have enhanced its competitiveness. Reforms in particular, completion of CENVAT chain, introduction of Technology Upgradation Scheme, rationalisation of import duties, de-reserving of garments from SSI and opening of the sector to FDI we feel are steps in the right direction.

From the Industry perspective, both the domestic and global markets are of significant importance. The current global Textile and Clothing trade is about US $350 bn. With the opening of this sector under WTO arrangement, the growth rate in future is expected to be higher and the Textile and Clothing trade is expected to reach about US $650 bn. by 2010.

The total domestic textile market size is estimated at about US $25 bn out of which domestic garment market is estimated at about US $10bn. With the growth in the population and increase in the Gross Domestic Income, the future growth in domestic textile market is likely to be at a faster pace and it is expected to be about US $55 bn by 2010 with domestic garment market of about US $22 bn.

The National Textile Policy has set a export target of US $50bn to be achieved by 2010 out of which garment exports are expected to constitute US $25 bn. from the current exports of about US $ 14bn (including garment exports of US $6.5 bn). Thus the domestic and export markets together are expected to be valued at about US $105 bn by 2010.

The vast domestic and export markets and the recent liberalization measures offer a golden opportunity to Industry to regain its past glory as a worldwide supplier of high quality textiles. However, in order to take advantage of the emerging opportunities, Industry would need substantial investments to modernise and increase weaving, processing and garmenting/made-up capacities and marketing capabilities.

Company Prospects

Your Company today has established its presence in the weaving, knitting and processing segments and has the ability to deliver world-class apparel fabrics and home textiles. Your company's products match global standards in terms of quality, pricing and delivery. Innovations, product developments and quality assurance have become an integral part of the company's operations. The company's activities now range right from yarn dyeing, fabric designing and sampling to circular knitting, wide and narrow width weaving and processing, garment and home textiles production. Your company is thus positioned to offer maximum value addition to its customers.

Your Company is amongst the new generation of textile companies in India and possesses large plants incorporating amongst the best technology that the world has to offer. It has also created a strong infrastructural base in terms of captive power, utilities, energy saving devices and global standard effluent treatment plants. This strong platform not only enables your company to successfully meet competition but also ensures adequate growth both in the domestic and export markets.

Your Company has now also entered the high value added segment of made-ups and garments. Your Company's state-of-the-art weaving and continuous wider width processing facilities coupled with the phasing out of the quota regime in December 2004 provides ample scope for growth in this segment in addition to the apparel fabric segment. The future growth to your Company would be mainly from the increased exports, which is expected to take a quantum jump in the current and future years

Finance

During the year, 4,54,01,140 equity shares of face value of Rs.10/- each were allotted on December 4, 2002 at a premium of Rs.1.24 per share to the holders of the 56,70,098 - 14% Secured Fully Convertible Debentures (SFCDs) of Rs. 90/- each aggregating to Rs. 51.03 crores issued on a rights basis to part finance, amongst others, the weaving and processing projects, upon conversion of the said SFCDs.

During the current year, the Company raised borrowings (net) of Rs.146.51 crores to meet project expenditure and working capital requirements.

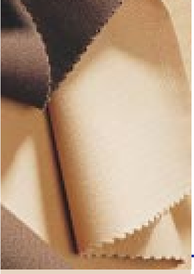
Your company has recently received sanction for term loans of Rs.138 crores from International Finance Corporation (IFC), Washington (US $17.5 millions), DEG, Germany (EURO 5.5 millions) and FMO, Netherlands (EURO 5.5 millions) mainly to retire existing high cost debt, part financing expansion projects and augmenting long term working capital requirements. While the loans from DEG and FMO will be in foreign currency, IFC will be through a Rupee/Dollar hedging swap and their loan will be rupee denominated. This would substantially reduce the interest cost of the company thereby enhancing its cost competitiveness.

Corporate Governance

Your Directors reaffirm their commitment to the Corporate Governance Standards prescribed by the Securities Exchange Board of India (SEBI). This Annual Report carries a section on Corporate Governance and benchmarks your Company with the SEBI Code on Corporate Governance

Fixed Deposits

Fixed Deposits with your Company as at year-end were Rs.2.02 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

In the course of the year under review and the current year, the following directors were appointed on the Board of your Company:

Shri Naresh O. Saluja as a nominee of IFCI Limited with effect from 30th April 2002

Shri Ashok Kumar Gupta as a nominee of Industrial Development Bank of India with effect from 26th June 2002.

Shri K.J. Punnathara as a nominee of Life Insurance Corporation of India with effect from 29th April 2003.

Shri M.C. Verma as a nominee of UTI Asset Management Company Private Limited (erstwhile Unit Trust of India) with effect from 29th April 2003..

Shri K.C. Jani as a nominee of Industrial Development Bank of India with effect from 31st July 2003 and

Shri A.K. Bhan as a nominee of IFCI Limited with effect from 6th September 2003.

Your Company takes great pleasure in welcoming them on the Board of its Directors and hopes to benefit considerably from their rich experience in their respective fields.

During the year, the nomination of Dr. Mukhopadhyay T.K. as Director by Industrial Development Bank of India was withdrawn with effect from 26th June 2002. Shri Shailesh H. Bathiya expressed his inability to continue as a Director in view of his business commitments and accordingly resigned with effect from 27th September 2002.

In the course of the current year, the nomination of Shri Naresh O. Saluja as Director of IFCI Limited was withdrawn with effect from 6th September 2003.

Your Board wishes to place on record its appreciation of the services rendered by Dr. Mukhopadhyay T.K., Shri Shailesh H. Bathiya and Shri Naresh O. Saluja. Their guidance and support during the tenure of their respective offices, as Directors of the Company have indeed been invaluable.

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Shri. Surendra B. Jiwrajka and Shri C K Bubna will retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

Directors' Responsibility Statement

Your Directors wish to inform Members that the Audited Accounts containing the Financial Statements for the financial year 2002-03 are in full conformity with the requirements of the Companies Act, 1956. They believe that the Financial Statements reflect fairly, form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations. Pursuant to the requirement under Section 217(2AA) 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, 2003, the applicable accounting standards have been followed along with proper explanation relating to 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 2003 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 B.J.D. Nanabhoy & Co., Cost Accountants, Mumbai to carry out this audit for the current year.

International Accountants

Deloitte Haskins & Sells, Member – Deloitte, Touche & Tohmatsu International (DTTI) have been appointed as International Accountants for the year under review. Their Report to the Board of Directors has been included and forms part of this Annual Report. The Indian accounts are also being recast as per the International Accounting Standards (IAS) by them.

Human Resources

We have considered our people as our most valuable asset and have nurtured them with care and affection. We have always believed firmly in the philosophy that the success of any organisation is due to the intrinsic quality of its human resources. Your Company has a young and motivated workforce and there is a continuous endeavour to ensure that each employee integrates synergically with the main stream.

There is constant evolution within the organisation, of systems and processes in order to maintain the high levels of motivation and promote leadership development along with effective allocation of managerial resources.

Industrial relations continued to be harmonious throughout the year.

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.

Environment Health and Safety

Your Company remains firmly committed to preservation of the environment and maintaining of high safety and health standards at its plants and offices. The drive towards attaining ISO 9001, ISO 14001 and OHSAS 18001 certifications are underway. The effluent treatment plant ensures primary, secondary and tertiary treatment before discharge. There are green zones within all factory premises and the machines are state-of-the-art with the finest of inbuilt safety features. Workmen are also provided with adequate protective gear. The Company's policy on Health, Safety and Environment appears elsewhere in this Report

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.

Acknowledgements

Your Directors express their gratitude for the continued support of the Financial Institutions, Banks, Government authorities and shareholders. Your Directors also place on record their deep sense of appreciation for the commitment exhibited by the Company's employees.

For and on behalf of the Board

Dilip B. Jiwrajka
Managing Director

Mumbai: 6th September 2003

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

(A) CONSERVATION OF ENERGY

(a) Energy conservation measures taken:

Energy conservation is not merely a national priority but a key value driver for your Company. Efforts to optimise process parameters, and modernise and upgrade technology as well as plant equipment, with the objective of increasing Energy Productivity are ongoing. Benchmarking and adherence to establish standards is reviewed through regular energy audits. Employees are encouraged to give suggestions that will result in energy saving. Concurrent measures are adopted such as 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 and include:

- ✓ Regular monitoring of furnaces and air compressor parameters.
- ✓ Acid cleaning of Boiler tubes for internal surface cleaning to increase heat transfer for improving Boiler efficiency.
- ✓ Applying appropriate voltage to lighting circuits
- ✓ Installing power factor controllers/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 circuits.

(ii) Providing pre-drying cylinders after padders 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) 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 various energy conservation measures undertaken by your Company have yielded encouraging results in most production centres. Efforts continue to further optimise energy productivity through ongoing and planned measures.

FORM "A"

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

A) Power and Fuel Consumption

1) Electricity Purchased

	2002-03	2001-02
Units	30,653,525	20,943,705
Total amount (Rs. in crores)	8.81	6.41
Average Rate/Unit (Rs.)	2.87	3.05

2) a) Own Generation through Diesel Generator Set

	2002-03	2001-02
Units	2,168,669	1,598,639
Total amount (Rs. in crores)	1.37	0.70
Average Rate/Unit (Rs.)	6.33	4.39

b) Diesel/Furnace Oil consumed per boiler

	2002-03	2001-02
Total amount (Rs. in crores)	8.09	5.25

B) Consumption per unit of production

	2002-03	2001-02
a) Yarn (Kgs.)	8,223,101	4,964,122
Units Consumed (per kg.)	1.90	2.26
b) Fabric- Knits (Kgs.)	3,368,130	1,726,096
Units Consumed (per kg.)	1.42	0.70
c) Fabric Woven (Mtrs.)*	13,761,865	10,975,073
Units Consumed (per Mtr.)	0.46	0.52
d) Processing- Woven (Mtrs.)	15,815,299	13,923,191
Units Consumed (per kg.)	1.22	0.97
e) Processing- Knits (Kgs.)	929,433	1,045,019
Units Consumed (per kg.)	1.22	0.97
f) Garments (Pieces)	197,248	–
Units Consumed (per Pieces)	0.18	–

* includes part of the activities carried outside.

FORM "B"

	2002-03	2001-02
(B) TECHNOLOGY ABSORPTION	Nil	Nil

C) Foreign Exchange Earnings and Outgo (Rs. in Crores)

	2002-03	2001-02
i) Total Earnings of Foreign Exchange	23.99	20.39
ii) Total outgo in Foreign Exchange		
• Foreign Travel	0.44	0.28
• Technical Consultancy Fees	0.36	0.08
• Purchase of Capital Goods	18.22	69.36
• Purchase of Spares	0.53	0.01
• Interest on Foreign Currency Term Loans and Exchange Difference	1.55	2.56
• Dividend Remitted in Foreign Currency	0.04	0.05

PRACTISING COMPANY SECRETARIAL COMPLIANCE CERTIFICATE

To,

The Board of Directors,
Alok Industries Limited

I have examined the registers, records, books and papers of ALOK INDUSTRIES LIMITED as required to be maintained under the Companies Act, 1956, ("the Act") and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial year ended on 31st March, 2003 ("Financial Year"). In my opinion and to the best of my information and according to the examination carried out by me and explanations furnished to me by the Company, I certify that in respect of the aforesaid financial year:

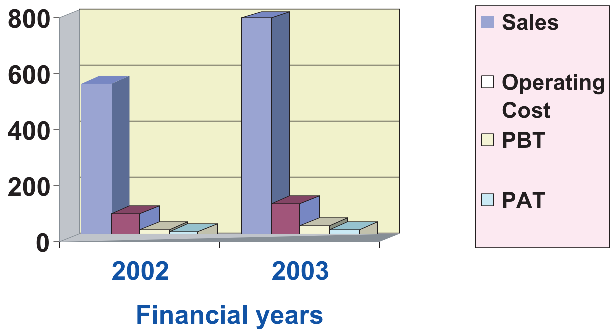
1. The Company has kept and maintained all registers as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns with the authorities prescribed under the Act and rules made there under.
3. The Board of Directors duly met five times during the year in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed including the circular resolution passed in the minutes book maintained for the purpose.
4. The Annual General Meeting for the Financial year ended on 31st March, 2002 was held on 27th September, 2002 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
5. No Extra-Ordinary General Meeting was held during the Financial year.
6. The Company has paid/posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration of dividend.
7. The Company has delivered all the certificates on allotment of securities and on lodgement thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act.
8. The Board of Directors of the Company is duly constituted and the appointment of nominee directors and resignation of directors have been duly made and there were no appointment of alternate directors and directors to fill casual vacancies have been duly made.
9. The Company has altered the provisions of the Memorandum of Association with respect to Authorized Capital of the Company after obtaining approval of the members in the Annual General Meeting held on 27th September, 2002.
10. The Company has altered its Articles of Association with respect to Authorized Capital of the Company after obtaining approval of members in the Annual General Meeting held on 27th September, 2002.
11. The Company has constituted the Audit Committee required as per Section 292A of the Companies Act, 1956.

Virendra Bhatt
Practicing Company Secretary

Mumbai: September 6, 2003

Overall Review

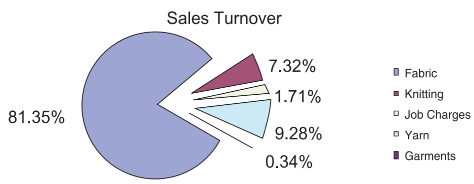
The key financial highlights of 2002-2003 are:



- Turnover grew 40.79% to Rs.795.41 crores.
- Profit before tax increased by 39.84% to Rs.59.36 crores

Sales

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



Particulars	**2002-03 Rs. in crores**	2001-02 Rs. in crores	% Growth in Value	% Growth in Volume
Fabric	**647.09**	466.38	38.75	29.90
Knitting	**58.20**	44.18	31.73	77.08
Yarn	**73.84**	42.19	75.02	75.36
Garments	**2.71**	1.30	108.46	113.41
Job Charges	**13.57**	10.92	24.27	--
	795.41	564.97	40.79	--

As evident, all the segments showed positive growth. Sales increased 40.79% in the year ended March 31, 2003 to Rs.795.41 crores, against Rs. 564.97 crores last year.

Sales growth is mainly due to improved capacity utilisation and commencement of operations from the new processing and texturising plants. The Company also increased its outsourced capacities to meet its increased demand.

Exports increased to Rs. 26.62 crores (inclusive of incentive) from Rs.22.91 crores.

Costs & Expenses

Principle cost and expenses have been classified into raw material consumed, employee's remuneration, operational and other expenses, interest and depreciation.

Raw Materials consumed during the year increased to Rs.600.35 crores as compared to Rs. 427.47crores, increase of 40.44% in 2002-03 as compared to the previous year. This increase was in commensurate with the increase in sales.

Employees' remuneration in 2002-03 increased from Rs.6.79 crores to Rs. 8.67 crores, increase of 27.69% over 2001-02.

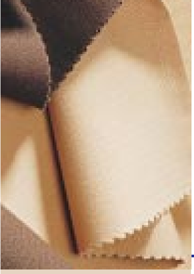
Operational and Other expenses in 2002-03 increased to Rs.90.95 crores as compared to Rs.66.47 crores in 2001-02. However, as a percentage of net sales, such expenses have decreased to 11.43% in 2002-2003 from 11.77% in 2001-02.

Interest and financing charges for 2002-03 increased to Rs.51.51 crores from Rs.39.17 crores as compared to the last financial year. In terms of, percentage to sales, the interest cost has decreased from 6.93 % in 2001-02 to 6.48% in 2002-03. This increase in interest cost is mainly due to fresh loans availed for expansion projects. Further with the increase in operations working capital borrowings also correspondingly increased. The company has taken adequate steps to reduce interest cost by availing Foreign Currency Term Loans and conversion of working capital loan into FCNR (B) loans wherever possible.

Depreciation has increased to Rs.25.42 crores as compared to Rs.15.74 crores, a 61.50% increase compared to the previous year. This is mainly due increase in Gross Block on account of expansion projects being completed by the Company.

The Company's corporate tax liability for the year was Rs.4.50 crores, which was limited to the impact of the Minimum Alternate Tax (MAT).

During the year under review, the company has also made a provision of Rs.12.55 crores for deferred tax as compared to Rs.1.54 crores in the previous year.



Profit

Gross profit was Rs.137.11 crores, an increase of 39.71% over 2001-02 gross profit of Rs.98.14 crores. However, gross profit as a percentage of sales has decreased marginally from 17.37% in 2001-02 to 17.24% in 2002-03 due to increase in manufacturing overheads.

Cash profit was Rs.68.55 crores, an increase of 25.94 % over 2001-02 cash profits of Rs.54.43 crores. The cash profit during the year under review had an impact of Rs.12.55 crores for deferred tax (Rs.4.28 crores pertaining to previous year)

Net profit after tax for the year increased 11.61% to Rs.42.31 crores, as compared to Rs. 37.91 crores in the previous year. The growth in profit after tax was restricted due to the higher provision of deferred tax.

Earnings per share (EPS)

EPS was Rs. 7.36 (previous year Rs. 11.77) and Cash earnings per share was Rs.12.07 (previous year Rs.17.45). This is mainly due to increase in equity share capital by Rs.45.40 crores from Rs.42.29 crores to Rs.87.69 crores on account of conversion of Fully convertible debentures aggregating to Rs.51.03 crores at a price of Rs.11.24/- per share on December 4th 2002.

Gross Block

Gross fixed assets including Capital work-in-progress and expenditure during construction period as on 31st March 2003 were Rs.453.59 crores as against Rs.355.05 crores in 2001-02.

Capital expenditure incurred during the year was Rs.98.54 crores. This is primarily due to the processing and texturising projects implemented under Technology Upgradation Fund Scheme (TUFs).

Net Block of fixed assets, as on 31st March 2003 was Rs.380.39 crores as against Rs. 307.31 crores in 2001-02.

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 healthy at 1.71

The Company's cash and bank equivalents as at 31st March 2003 stood at Rs. 24.15 crores against Rs. 18.06 crores over previous year.

Capital Structure

The equity capital as on 31.03.2003 comprises of equity share capital of Rs.87.69 crores and preference share capital of Rs. 5.00 crores.

The equity capital has increased to Rs.87.69 crores as compared to Rs.42.29 crores as on 31.03.2002. The increase is due to conversion of Fully Convertible Debentures aggregating to Rs.51.03 crores at a price of Rs.11.24 per share.

The Company has declared a dividend of 10% on equity shares constituting a dividend pay out of Rs.5.69 crores (excluding tax) for the year.

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

Particulars	Rs. in Crores
Opening Balance as on 1st April 2002	5.60
Add: Preference shares issued during the year	--
Less: Redemptions during the year	0.60
Closing Balance as on 31st March 2003	5.00

Total Debt

The total debt of the company stood at Rs.544.17 crores, an increase of Rs.146.51 crores over 2001-02. The increase is due to fresh loans availed by the company to part finance the expansion projects and to meet its working capital requirement.

The secured loans have increased by Rs.123.77 crores including working capital limits of Rs.62.45 crores. The unsecured loans have increased by Rs.22.74 crores mainly due to fresh borrowings under Buyers Credit and for meeting working capital requirements.

Tangible Net Worth

The company's net worth as on 31st March 2003, stood at Rs.249.27 crores as against Rs. 183.14 crores in 31st March 2002. This was primarily due to increase in profits and increase in equity and share premium due to conversion of Fully Convertible Debentures (FCDs) into equity shares at a premium.

Debt- Equity Ratio

Debt equity ratio as on March 31, 2003 was 1.37, as against 1.09 in the previous year. The debt-equity ratio has deteriorated mainly due to fresh term loans availed for expansion of processing and texturising capacities and also due to provision of deferred tax of Rs.33.69 crores.

Internal Control systems and their adequacy

The company has proper and adequate internal control systems for the business operations, processes and financial management. Financial reporting and management information systems are in place and there is due compliance with applicable laws and regulations. The internal control systems are supported by internal audits conducted by outside agencies. There are periodic internal audits conducted to review the adequacy and effectiveness of internal controls and suggest improvements for strengthening them. The Audit Committee of the Board meets periodically and reviews, amongst others, the adequacy of the financial / management reporting systems and other related matters.

The company draws up medium term a Business Plan with broad forecasts of projections for the next five years, which is reviewed annually. Capital expenditure commitments and borrowing plans are based on these forecasts.

Credit Ratings

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

- March 2003 — Coface India Credit Management Services Pvt. Ltd. has assigned Quality @rating label with the notation @@@ for the initial period ending 3rd March 2004. The rating indicates a strong capacity for in time payment of commercial commitments.
- June 2003 — FITCH Ratings India Private Limited have reaffirmed the "F1 (ind)" [F one (ind)] for Rs.200 mn Commercial paper programme. The rating indicates Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments.
- August 2003 — FITCH Ratings India Private Limited has assigned the "F1 (ind)" [F1 (ind)] rating for Rs.200 mn short-term debt programme. The rating indicates Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments.
- August 2003 — FITCH Ratings India Private Limited has assigned the "A (ind)" rating for Rs.200 mn Non-Convertible Debenture Programme. The rating indicates Adequate Credit quality. The rating Indicate that there is currently a low expectation of credit risk. The capacity for timely payment of timely payment of financial commitments is considered adequate. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.

Industry Outlook

Key Issues in the Industry

In spite of a rich legacy of textile production, a strong multi-fibre raw material base, large production capacities, low dependence on imports and other favourable factors, the Indian textile industry has not been able to exploit its potential to the optimum level. In the case of the domestic market, India's per capita textile fibre consumption is below the world average. In the case of export sales, India's share in global textiles at around 3.1% is marginal.

The key reasons for the Indian textile industry being unable to exploit its distinctive advantages are the lack of technological upgradation, fragmented growth of the industry and non-rational duty structures. The highly fragmented industry structure has resulted in lack of economies of scale, low productivity and inability to invest in technology.

Post-WTO Scenario

What is the MFA? Just to brush upon the history briefly, trade in textiles and clothing was regulated by the Multi-fibre Arrangement (MFA) prior to 1995. MFA was an instrument under which, developed nations protected their domestic textile industry by imposing quotas on imports from other countries. However, in 1995, a new agreement, Agreement on Textile and Clothing (ATC) was signed. This was aimed at phasing out the MFA over a decade. Thus, in effect, on December 31, 2004, the quota regime would end and countries would be free to trade.

This dismantling of the quota regime represents both an opportunity as well as a threat. An opportunity because markets will no longer be restricted; a threat because market will no longer be guaranteed by quotas, and even the domestic market will be opened to competition. All textiles and clothing products would thus be traded internationally without quota restrictions. And this impending reality brings the issue of competitiveness to the fore for the textile industry across the globe.

One big advantage for India, in fact the whole of Asia, would be that, post-2005, manufacturers in the US and EU will look at lowering costs by outsourcing garments/ made-ups from countries like India.

The government has lent a helping hand to the textiles industry to make it competitive under the post-WTO era and has announced certain important measures as under:

- Reduction of customs duty, which makes import of textile machinery cheaper;
- Setting up of a Rs 250 bn Technology Upgradation Fund Scheme (TUFS) to facilitate modernisation and expansion of the textile sector, which offers a 5% interest subsidy on loans/ finance raised from designated financial institutions, thereby placing interest costs at around the international levels;
- Completion of CENVAT chain in the entire Textile Value Chain with simultaneous rationalisation of duty structures;
- De-reservation of the woven readymade garments from SSI sector;
- Allowing foreign equity participation upto 100% through automatic route;
- Development of apparel parks for production and export of garments and
- Launching of Cotton Technology Mission for boosting the production and quality of cotton.

India's present share in global textile exports is only 3.1% and the government has set an ambitious textile export target of US$ 50 bn by 2010 as compared to US$ 13 bn currently. However, the above can be achieved only if Indian textiles sector is competitive on operating parameters (labour, power and capital) and substantially increases capacities, quality and productivity.

It is heartening to note that a lot of Indian textile entrepreneurs have taken the initiative and setting up large modern plants, especially in the weaving, processing and garmenting/made-ups segments. The ginning and spinning sectors are also witnessing fresh investments for increasing capacities and improving quality. There is a growing concern for quality and environment, which can be gauged from the fact that entrepreneurs are investing heavily in state-of-the-art laboratory equipments for testing of fabrics and world-class effluent treatment plants for discharge of effluents. This new awareness for quality is also evidenced by the increasing number of entrepreneurs seeking certifications on the systems, environment and safety fronts (ISO 9000 series, 14001 and OHSAS 18001).

It can thus be stated that the opportunities available through the opening up of the textile market in the post-WTO era, the positive Government outlook and the efforts taken by the Indian entrepreneurs can make the Indian Textile Industry a force to reckon with.

Company Prospects

Looking to the major changes being brought about by WTO, the Company has suitably prepared itself to face competition. It has created a strong platform in terms of infrastructure like co-generation plants, power sub-stations, energy-saving devices, effluent treatment plants and world-class laboratories. and also set up global sized capacities in weaving, knitting, wide and normal width processing and texturising. It has also vertically integrated into garments and made-ups.

The Company has drawn a multi-pronged strategy to establish a presence in both the export and domestic markets. As a measure to lend thrust on direct exports, the Company has moved forward into garments and made-ups, which has a tremendous potential for growth in the quota-free era. The domestic market is witnessing a growing preference for polyester in view of the inherent merits like durability, price and low maintenance. The Company has, accordingly expanded its texturising capacities to capture this potential growth.

RISK MANAGEMENT

The Company is subject to business risks, both internal and external, and has taken adequate steps to mitigate the same. The major risks associated with the company are outlined below:

Changing Fashions

There is a specific pattern in the demand for different quality of fabrics, prints and designs, which depends upon the prevailing fashion. In case of export market, the demand is based on the climatic conditions and fashion trends prevailing in European countries and the United States of America - the major export regions for India. In case of domestic market the demand is shifting from cotton fabrics to man-made fabrics. Cotton being the international preference has a good exports market, while the domestic market prefers man-made fabrics due to better wrinkle resistance, durability and affordability. In recent years, the demand for the knitted fabrics and knitwear is increasing fast in the global as well in the domestic market.

The Company has, over the years developed considerable expertise in responding to the changes in demand and fashion patterns. The manufacturing facilities are flexible enough for quick changeovers and to handle a variety of fibres and thread counts. This provides the Company adequate means to effectively meet the demands of changing fashions.

Raw Material Prices

Raw Material cost is about 75% of the Company's sales. Thus any major hikes in raw material prices can affect the operations of the Company adversely.

The Company's sales are customer-driven and hence pricing is order-based. The Company is, thus generally able to pass on the increase in raw material prices to is customers.

Foreign Currency Risk

The company's exports are presently nominal, but there are also no significant imports of raw material or consumables. The exposure to foreign currency risk, thus, is only limited to the foreign currency loans availed to part-finance expansion projects and working capital loans. The company has a prudent policy of hedging the above exposure.

Export obligation

The Company has an export obligation to meet on account of capital goods imported under concessional rate of duty under EPCG Scheme within a permitted time frame. Non-fulfilment of this obligation would result in payment of import duty at normal rates along with interest as specified under the said Scheme. The Company's exports are slated to increase substantially over the next 2-3 years, especially with its foray into the made-ups segment. The Company is therefore confident of meeting the said obligation within the stipulated period.

WTO Scenario

In the free trade regime, there would be intense competition both on the domestic and international markets and survival would be determined in terms of quality, size, delivery and cost. The Company had foreseen this scenario some time back and accordingly geared itself by setting up state-of-the-art facilities across the textile chain from weaving, knitting to processing, garments and made-ups. The Company is thus equipped well to handle the post-WTO challenges.

Domestic Competition

The Company faces competition in all the segments that it operates from both the organized and unorganized sectors.

However, the Company's diversified product profile, quality approach, value-added segments, manufacturing flexibility, modern technology a strong marketing network and a vibrant sales force has equipped the Company well to meet competition.

Cautionary Statement

Statements in this Management Discussion & Analysis describing the company's objectives, projections, estimates and expectations may be "Forward Looking Statements" within the meaning of applicable laws and regulations.

Actual results might differ substantially or materially from those expressed or implied.

Alok aspires to incorporate the best global practices in the area of corporate governance and follows the principles of fair representation and full disclosure in all its dealings and communications. Alok recognises communication as a key element of the overall corporate governance framework and therefore emphasizes continuous, efficient and relevant communication to all external constituencies. Alok's annual reports, results media releases, results presentations and other forms of corporate and financial communications, provide extensive details and convey important information on a timely basis.

In India, the corporate governance initiative was pioneered in 1998 by the Confederation of Indian Industry (CII) through its publication *Desirable Corporate Governance: A Code*. Thereafter, the Securities and Exchange Board of India (SEBI) constituted a committee to promote and raise corporate governance standards for listed companies. On 25 January 2000, SEBI considered the report of this committee, and decided to make amendments to the listing agreement to incorporate the key recommendations.

In this Report, Alok Industries Limited confirms its compliance with the corporate governance criteria as required by Clause 49 of the Listing Agreement.

Company's Philosophy on Code of Corporate Governance:

Your Company's philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, the government and lenders. Alok is committed to achieving the highest international standards of corporate governance.

Your Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time.

A. BOARD OF DIRECTORS

1. Composition

The Board of Directors has a mix of Executive and Non-executive Directors. The Board comprises of four Whole-time Directors – the Executive Chairman, the Managing Director and two Executive Directors and seven Non-executive Directors. Accordingly, the composition of the Board is in conformity with the Listing Agreement.

The composition of the Board of Directors and other relevant details relating to Directors are given below:

Name of the Directors	Attendance of Directors		No. of other directorships and committee members/chairmanships		
	Board Meetings	Last AGM	Other Director-ships	Committee Member -ships	Committee Chairman -ships
Ashok B. Jiwrajka	2	Yes	9	2	1
Dilip B. Jiwrajka	5	Yes	8	3	–
Surendra B. Jiwrajka	3	Yes	8	2	–
Chandrakumar Bubna	3	Yes	2	–	–
Ashok G. Rajani	2	–	3	1	1
K. R. Modi	5	Yes	1	1	–
Shailesh H. Bathiya	–	–	5	–	–
Dr. Mukhopadhyay T. K.	1	–	–	–	
Naresh Saluja	5	–	4	–	–
Ashok Kumar K. Gupta	2	Yes	1	–	–
M.C.Verma	–	–	–	–	–
K.J.Punnathara	–	–	–	1	–
K.C.Jani	–	–	–	2	2
A.K.Bhan	–	–	2	1	–

2. Responsibilities of the Board

The Board of Directors' responsibilities includes the review of:

- Strategy and business plans
- Annual operating and capital expenditure budgets
- Investments and exposure limits
- Business risk analysis
- Senior executives' appointment
- Compliance with statutory/regulatory requirements and review of major legal issues, if any
- Adoption of quarterly results/annual results
- Transactions pertaining to purchase/disposal of property, major provisions and write offs.

3. Board Compensation Review

Details of remuneration paid to all the Directors for the FY 2002-03 are as follows:

Director	Relation-ship with other Directors	Business relationship with the Company	Loans & advances received from the Company	Remuneration paid during 2002-2003 (in Rs.)			
				Sitting fees	Salary & Perks	Comm-ission	Total
Ashok B. Jiwrajka	Brothers	—	—	—	28,95,198	90,000	29,85,198
Dilip B. Jiwrajka		—	—	—	28,90,119	90,000	29,80,119
Surendra B Jiwrajka		—	—	—	28,90,119	90,000	29,80,119
Chandrakumar Bubna	—	—	—	—	28,85,677	90,000	29,75,677
Ashok G. Rajani	—	—	—	10,000	—	—	10,000
K. R. Modi	—	—	—	25,000	—	—	25,000
Shailesh H Bathiya	—	—	—	—	—	—	—
Dr. Mukhopadhyay T.K.	—	IDBI Nominee	—	5,000	—	—	5,000
Naresh Saluja	—	IFCI Nominee	—	25,000	—	—	25,000
Ashok Kumar Gupta	—	IDBI Nominee	—	10,000	—	—	10,000

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

B. BOARD COMMITTEES

The Company has four committees, the Audit Committee, the Share Transfer and Investors' Grievances Committee, the Remuneration Committee, and the Executive Committee.

1. Audit Committee

The Audit Committee was constituted in June 2001 and presently consists of four independent Non-Executive Directors. 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) Mr. K C Jani, Chairperson

B) Mr. Ashok G. Rajani;

C) Mr. K. R. Modi; and

D) Mr. A.K. Bhan

The constitution of Audit Committee also meets 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 recommend the appointment of Internal Auditors and fixation of the Audit Fee;

d) To ensure compliance of internal control systems and action taken on internal audit reports;

e) To appraise the Board on the impact of accounting policies, auditing standards and legislation;

f) To hold periodical discussions with Statutory Auditors and Internal Auditors on the scope and content of the audit;

g) To ensure compliance with the stock exchange and other statutory requirements;

h) To review the quarterly, half yearly and annual financial statements before submission to the Board of Directors.

i) To review the company's financial and risk management policies.

The Audit Committee met on 30.07.2002, 30.10.2002 and 30.01.2003 during the year under report. The Committee, at these meetings reviewed the unaudited financial results and generally discussed about internal control systems and operations of the Company.

2. Share Transfer and Investors' Grievances Committee

The Board of the Company has constituted a Share Transfer and Investors' Grievances Committee. The Committee, interalia, 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 recommends measures for overall improvement in the quality of investor services.

Shri Ashok G. Rajani, a non-executive director of the Company, chairs this Committee.

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

3. Remuneration Committee

Remuneration of the Executive Directors is decided by the Board of Directors after review by this committee. The remuneration package is governed by industry pattern and as per the provision of the Companies Act. Details of the remuneration paid to the Directors for the FY 2002-03 are given earlier in this report.

Remuneration of employees largely consists of base remuneration, perquisites and performance incentives and is discussed by the Remuneration Committee comprising of Mr.K.C.Jani (Chairman), Mr.K.J.Punnathara and Mr.Dilip.B.Jiwrajka.

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.

4. Executive Committee

The Board of Directors has delegated the authority to the Executive Committee comprising of three Executive Directors to supervise and monitor day-to-day affairs of the Company.

C. BOARD MEETINGS

The meetings of the Board of Directors are generally held in Mumbai and scheduled well in advance. The Board meets at least once in a quarter to consider amongst other business, the quarterly performance of the Company and financial results. The folder containing the agenda for the meeting with detailed review of all aspects of the Company business is circulated to all the Directors. The board folder contains notes on the performance of the Company to date, employee relations, statutory compliance certificates, review of legal matters, details of capital expenditure, etc. It also highlights important matters discussed at the sub-committees of Directors.

1. Attendance

Five 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	30th April'02	25th June'02	30th July'02	30th Oct'02	30th Jan'03
Ashok B. Jiwrajka	Yes	—	—	—	Yes
Dilip B. Jiwrajka	Yes	Yes	Yes	Yes	Yes
Surendra B. Jiwrajka	Yes	—	—	Yes	Yes
Chandrakumar Bubna	Yes	—	Yes	—	Yes
Ashok G. Rajani	—	Yes	Yes	—	—
K. R. Modi	Yes	Yes	Yes	Yes	Yes
Shailesh H. Bathiya	—	—	—	N.A.	N.A.
Dr. Mukhopadhyay T. K.	—	Yes	N.A.	N.A.	N.A.
Naresh Saluja	Yes	Yes	Yes	Yes	Yes
Ashok Kumar Gupta	N.A.	N.A.	N.A.	Yes	Yes

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

2. Information placed before the Board of Directors

The following information is regularly placed before the Board of Directors :

- Quarterly results for the Company;
- Information on recruitment and remuneration of senior officials just below the board level;
- Material communications from Government Bodies;
- Fatal or serious accidents, dangerous occurrences, any material effluent, pollution problems;
- Labour Relations;
- Material transactions which are not in the ordinary course of business;
- Disclosures by the management of material transactions, if any, with potential for conflict of interest;
- Compliance with all regulatory and statutory requirements;
- Forecasts for forthcoming quarters and analysis of their variances with actuals;
- Annual Operating plans and budgets and any updates;
- Capital budgets and any updates.

3. Disclosure

The transactions with related parties were undertaken in the normal course of business and were at terms and conditions as applicable to other parties for similar transactions and were not prejudicial to the interest of the Company.

D. SHAREHOLDERS

1 Disclosure regarding appointment and re-appointment of Directors

As per the provisions of the Companies Act and Articles of Association of the Company, one-third of two-third of the Directors retire by rotation, and if eligible, offer themselves for re-appointment at the Annual General Meeting. Accordingly, Mr. Surendra B. Jiwrajka and Mr. Chandrakumar Bubna will retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

2. **Communication to Shareholders**

Details of the communication to the shareholders are given in the table below:

Recommendation	Compliance
Quarterly results Which news papers normally published in	Business Standard and Sakal
Any Website, where displayed	Yes, at www.alokind.com
Whether it also displays official news releases and presentations mode to institutional investors/analyst	Yes
Whether MD&A is a part of Annual Report	Yes
Whether Shareholder information section forms part of the Annual Report	Yes

3. **Shareholder's Redressal**

The Company's Registrar and Share Transfer Agent, M/s. Intime Spectrum Registry Limited is fully equipped to carry out transfer of shares and redress investor complaints.

The Board of Directors has delegated the authority to Mr. K. H. Gopal– Vice President (Legal) & Company Secretary, as the Compliance Officer.

4. **Details of Non-Compliance**

There has been no non-compliance of any legal requirements by the Company, nor has there been any strictures imposed by any stock exchange on any matters relating to the capital market over the last three years.

5. **General Body Meetings**

Details of the last three Annual General Meetings are given in the table below:

Year	Location	Date	Time
1999 – 2000	ORT Simeon Seminar Centre ORT India Building, 68, Worli Hill Road, Worli, Mumbai – 400 018	20.10.2000	11.00 a.m.
2000 – 2001	—— do ——-	25.09.2001	11.00 a.m.
2001 – 2002	—— do ——-	27.09.2002	11.00 a.m.

6. **Postal Ballot**

For the year ended 31st March 2003, there has been no ordinary or special resolution passed by the Company's shareholders through postal ballot.

7. **Auditor's Certificate on Corporate Governance**

As required by Clause 49 of the Listing Agreement, the Auditor's certificate is given as an annexure at the end of this section.

E. SEBI PREVENTION OF INSIDER TRADING

With SEBI imposing the responsibility on "Prohibition of Insider Trading" on Organisations, the Board has designed a Code of Conduct strictly in accordance with the Model Code of Conduct prescribed by SEBI. The Code, besides other relevant matters, prohibits an insider from dealing in the shares of the Company while in possession of the unpublished price sensitive information in relation to the Company.

During the time of declaration of results, dividend and other material events, the trading window is closed as per the Code.

Till date, there have been no violations on this front.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members
Alok Industries Limited

We have examined the compliance of conditions of Corporate Governance by Alok Industries Limited, for the year ended 31st March 2003 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 unattained / 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 and on behalf of
Gandhi & Parekh
Chartered Accountants

Devang B. Parekh
Partner

Mumbai : 6th September 2003.

To The Members,

Alok Industries Limited

We have audited the attached Balance Sheet of **ALOK INDUSTRIES LIMITED,** as at 31st March, 2003 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 discrepencies 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 assitance 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.

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 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 definedunder 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 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 goverment under section 209(1)(d) of the Companies Act, 1956. Such accounts & records have prima facie been maintained and audited by the cost auditor as approved by the central goverment. However, we have not made a detailed examination of the records with a view to determining the accuracy or completeness.

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 appropreiate 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, 2003, 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.

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, 2003 from being appointed as director in terms of Section 274(1)(g) of the Companies Act, 1956.

f] Subject to the matter referred to in Notes to Accounts at point no.6,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, 2003.

and

ii] in the case of Profit and Loss Account, of the profit of the company for the year ended on that date;

and

iii] in the case of The Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of

Gandhi & Parekh
Chartered Accountants

Devang B. Parekh
Partner

Mumbai: 6th September, 2003

To the Board of Directors of

ALOK INDUSTRIES LIMITED

We have audited the Balance Sheet of Alok Industries Limited as on 31st March, 2003, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date (the financial statements) attached hereto, which have been prepared in accordance with the Generally Accepted Accounting Principles in India and Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.

Respective Responsibilities of the Management and Auditors

The Management of the Company is responsible for the preparation of these financial statements. The financial statements have also been audited by firms of Chartered Accountants appointed as Auditors under the statute (The Companies Act, 1956) who submit separately their report in accordance with the provisions of the Companies Act. It is our responsibility to form an independent opinion, based on our audit of the statements and to report our opinion to you as a concurrent special assignment.

Basis of Opinion

We conducted our audit in accordance with the auditing standards issued by the Institute of Chartered Accountants of India. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the management in the preparation of the financial statements and whether the accounting policies are appropriate to the circumstances to the company consistently applied and adequately disclosed. We planned and performed audit so as to obtain all information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

The financial statements dealt with by this report are in agreement with books of account of the Company.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements read with the accounting policies and notes thereon give a true and fair view:

(i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2003;

(ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and

(iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants

P. R. Barpande
Partner

Mumbai: 6th September, 2003

BALANCE SHEET AS AT MARCH 31, 2003

(Rupees in crores)

PARTICULARS	SCHEDULE NO.		AS AT 31.03.2003	AS AT 31.03.2002
I SOURCES OF FUNDS				
(1) Shareholders' Funds				
(a) Capital	1	92.69		47.89
(b) Reserves and Surplus	2	162.73		142.85
			255.42	190.74
(2) Loan Funds				
(a) Secured Loans	3	493.79		419.29
(b) Unsecured Loans	4	50.38		27.64
			544.17	446.93
TOTAL			799.59	637.67
II APPLICATION OF FUNDS				
(1) Fixed Assets				
(a) Gross Block	5	422.26		249.54
(b) Less : Depreciation		73.20		47.74
(c) Net Block		349.06		201.80
(d) Capital Work-in-Progress	6	29.13		84.04
(e) Incidental Expenditure during Construction (pending allocation/adjustments)	7	2.20		21.47
			380.39	307.31
(2) Investments	8		4.07	3.99
(3) Current Assets, Loans & Advances				
(a) Inventories	9	278.86		198.79
(b) Sundry Debtors	10	265.52		185.86
(c) Cash & Bank Balances	11	24.15		18.06
(d) Loans & Advances	12	24.62		20.13
		593.15		422.84
Less : Current Liabilities & Provisions				
(a) Current Liabilities	13	134.12		89.90
(b) Provisions	14	8.72		5.93
		142.84		95.83
Net Current Assets			450.31	327.01
(4) Deferred Tax Liabilities (net) (Refer Note 9 of Part B of Schedule 21)			(36.33)	(2.64)
(5) Miscellaneous Expenditure [To the extent not written off or adjusted]	15		1.15	2.00
TOTAL			799.59	637.67
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	21			

As per our attached report of even date

For Gandhi & Parekh
Chartered Accountants

Devang B. Parekh
Partner

Mumbai : 6th September, 2003

For and on behalf of the Board

Dilip B. Jiwrajka
Managing Director

Surendra B. Jiwrajka
Executive Director

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

Mumbai : 6th September, 2003

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2003

(Rupees in crores)

	Schedule	Year ended 31.03.2003	Year ended 31.03.2002
INCOME			
Sales (inclusive of excise duty)	16	784.29	555.51
Less : Excise duty		2.45	1.46
		781.84	554.05
Job Work Charges Collected (Tax Deducted at Source Rs. 0.26 crore, Previous Year Rs. 0.20 Crore)		13.57	10.92
		795.41	564.97
Other Income	17	0.18	0.15
Increase in Stocks of Finished Goods and Process Stock	18	40.67	32.97
		836.26	598.09
EXPENDITURE			
Trading Purchases		69.62	51.59
Manufacturing and Other Expenses	19	630.35	449.14
Interest (net)	20	51.51	39.17
Depreciation		25.42	15.74
PROFIT BEFORE TAX		59.36	42.45
Provision for Tax - Current tax		(4.50)	(3.00)
- Deferred tax		(12.55)	(1.54)
(including Rs. 4.28 crores of previous year)			
(Refer Note No. 9(b) of Part B of Schedule 21)			
PROFIT AFTER TAX		42.31	37.91
Add : Balance brought forward from previous year		80.40	50.25
Add : Excess/ (short) provision of tax in respect of earlier years		0.12	(0.40)
Less : Provision for deferred tax for earlier years		(21.14)	–
(Refer Note No. 9(b) of Part B of Schedule 21)			
AMOUNT AVAILABLE FOR APPROPRIATION		101.69	87.76
APPROPRIATIONS			
Transfer to Capital Redemption Reserve		0.60	1.10
Transfer to General Reserve		6.00	3.00
Proposed Dividend			
- on Equity Shares		5.69	2.45
- on Preference Shares (paid/provided)		0.60	0.76
Corporate Dividend Tax thereon		0.75	0.05
BALANCE CARRIED TO BALANCE SHEET		88.05	80.40
EARNINGS PER SHARE (Refer Note No. 10 of Part B of Schedule 21)			
Basic		7.36	11.77
Diluted		7.36	6.08
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	21		

As per our attached report of even date

For Gandhi & Parekh
Chartered Accountants

Devang B. Parekh
Partner

Mumbai : 6th September, 2003

For and on behalf of the Board

Dilip B. Jiwrajka
Managing Director

Surendra B. Jiwrajka
Executive Director

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

Mumbai : 6th September, 2003

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2003

(Rupees in crores)

	2002-2003	2001-2002
A] Cash Flow from Operating Activities		
Net Profit Before Tax	**59.36**	42.45
Adjustments for:		
Depreciation charged to Profit and Loss Account	**25.42**	15.74
Foreign Exchange loss	**1.76**	0.02
Dividend Income	**(0.10)**	(0.10)
Interest Paid	**51.51**	39.17
Loss on sale of assets	**0.02**	0.23
Profit on sale of investments	**(0.03)**	–
Miscellaneous Expenditure written off	**0.85**	0.78
Operating Profit before working capital changes	**138.79**	98.29
Adjustments for		
(Increase) in Inventories	**(80.07)**	(50.07)
(Increase) in Trade Receivable	**(79.66)**	(45.31)
(Increase) in Loans & Advances	**(4.49)**	(6.98)
Increase in Current Liabilities	**44.12**	19.34
Cash Generated from operations	**18.69**	15.27
Income Taxes Paid	**(4.53)**	(2.81)
Net cash flow from operating activities	**14.16**	12.46
B] Cash flow from Investing Activities		
Purchase of fixed assets	**(98.67)**	(127.59)
Sale of fixed assets	**0.14**	0.14
Purchase of Investments	**(0.94)**	–
Sale of Investments	**0.89**	0.07
Dividends Received	**0.10**	0.10
Net cash used in Investing Activities	**(98.48)**	(127.28)
C] Cash flow from Financing Activities		
Redemption of Preference Share Capital	**(0.60)**	(0.60)
Proceeds from borrowings	**146.51**	157.50
Dividend Paid	**(4.31)**	(3.82)
Interest Paid	**(51.19)**	(39.13)
Miscellaneous Expenditure incurred	**—**	(0.28)
Net cash used in Financing Activities	**90.41**	113.67
Net Increase/Decrease in Cash and Cash equivalents (A+B+C)	**6.09**	(1.15)
Cash and Cash equivalents		
at the beginning of the year	**18.06**	19.21
at the end of the year	**24.15**	18.06
Net Increase/Decrease in Cash and Cash equivalents	**6.09**	(1.15)

NOTES TO CASH FLOW STATEMENT

1 Components of Cash and Cash Equivalents include Cash and Bank Balances in Current and Deposit Accounts.
2 Proceeds from borrowings reflect the increase in Secured and Unsecured Loans and is net of repayments.
3 Interest income on deposits, overdue bills etc. is classified as cash flow from operating activities.
4 Purchase of fixed assets are stated inclusive of movements of Capital Work in Progress and incidental expenditure during construction period (pending allocation/adjustment) between the commencement and end of the year and is considered as part of investing activity.
5 The Cash Flow Statement has been prepared in accordance with the requirements of Accounting Standard AS-3 "Cash Flow Statement" issued by The Institute of Chartered Accountants of India and the listing agreement with the Stock Exchange.
6 Previous year figures have been reclassified, wherever necessary to correspond to those of the current year.

As per our attached report of even date

For Gandhi & Parekh
Chartered Accountants

Devang B. Parekh
Partner

Mumbai : 6th September, 2003

For and on behalf of the Board

Dilip B. Jiwrajka
Managing Director

Surendra B. Jiwrajka
Executive Director

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

Mumbai : 6th September, 2003

(Rupees in crores)

PARTICULARS		AS AT 31.03.2003	AS AT 31.03.2002
SCHEDULE 'I'			
CAPITAL			
Authorised :			
9,50,00,000 (Previous year 5,50,00,000) Equity shares of Rs.10/- each		95.00	55.00
2,50,00,000 Preference shares of Rs.10/- each		25.00	25.00
		120.00	80.00
Issued and Subscribed :			
Equity Share Capital			
8,76,91,828 (Previous year 4,22,90,688) Equity shares of Rs.10/- each fully paid up.		87.69	42.29
Preference Share Capital			
40,00,000 10.50% Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid up.	4.00		4.00
10,00,000 12% Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid up.	1.00		1.00
Nil (Previous year 18,00,000) 15% Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid up.	-		0.60
		5.00	5.60
Total		92.69	47.89

NOTES: Out of the above

1] 7,45,396 equity shares were allotted as Bonus shares by way of capitalisation of General Reserves.

2] 62,550 equity shares being forfeited shares were reissued during 2001.

3] 4,54,01,140 equity shares were issued on 4th December 2002 on conversion of Fully Convertible Debentures at a premium of Rs.1.24 per share.

4] 40,00,000 10.50% Cumulative Redeemable Preference Shares are redeemable at par on 26th May, 2003.

5] 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.

6] 18,00,000 15% Cumulative Redeemable Preference Shares redeemable at par in 3 equal instalments were fully redeemed during the year.

SCHEDULE '2'			
RESERVES AND SURPLUS			
Capital Reserve			
Balance as per last Balance Sheet		0.03	0.03
Capital Redemption Reserve			
As per last Balance Sheet	1.60		0.50
Add : Transferred from Profit and Loss Account	0.60		1.10
		2.20	1.60
Securities premium account			
As per last Balance Sheet	38.71		34.65
Add : Received during the year (Refer Note No. 3 of Schedule I)	5.63		4.06
		44.34	38.71
General Reserve			
Balance as per last Balance Sheet	17.80		15.90
Add: Transferred from Profit and Loss Account	6.00		3.00
Less : Adjustment on account of Deferred tax liability (net) (prior to 1-4-2001)	-		1.10
		23.80	17.80
Debenture Redemption Reserve		4.31	4.31
Surplus in Profit and Loss Account		88.05	80.40
Total		162.73	142.85

(Rupees in crores)

PARTICULARS	Notes		AS AT 31.03.2003	AS AT 31.03.2002
SCHEDULE '3'				
SECURED LOANS				
a. Debentures	1			
20% Redeemable Non Convertible Debentures		–		1.00
16.50% Redeemable Non Convertible Debentures		1.00		2.00
13% Redeemable Non Convertible Debentures		–		5.00
12.50% Redeemable Non Convertible Debentures		20.00		–
14% Fully Convertible Debentures		–		51.03
			21.00	59.03
b. Term Loans	2			
(1) From Financial Institutions				
– Rupee Loans		167.75		156.46
– Foreign currency loans		18.37		23.93
		186.12		180.39
(2) From banks				
– Rupee Loans		69.76		38.70
			255.88	219.09
c. From Banks on Cash Credit Accounts, Working capital demand loans etc (Includes Rs 27.46 crores demand loan in foreign currency (Previous year Rs. 30.72 crores)	3		203.29	140.84
d. Loans under Hire Purchase/Lease Arrangements	4		13.62	0.33
Total			493.79	419.29

1. Debentures are secured by :

   a) Nil (previous year 3,00,000), 20% Secured redeemable non convertible debentures of Rs.100/- each, which were redeemable at par in three equal instalments at the end of 4th, 5th and 6th year from the date of allotment i.e. 12th September 1996, were secured by pari passu first charge created/to be created on all present and future movable and immovable assets of the company subject to prior charges on specific movable assets in favour of the Company's bankers and personal guarantees of three promoter directors. Last instalment of such debentures was paid during the year and debentures redeemed.

   b) 3,00,000, 16.50% Secured redeemable non convertible debentures of Rs.100/- each, which are redeemable at par in three equal instalments at the end of 4th, 5th and 6th year from the date of allotments i.e. 26th September 1997 and 27th November 1997, are secured by pari passu first charge created/to be created as detailed in 1 (a) above. Second instalment on such debentures were paid during the year.

   c) Nil (previous year 5,00,000) 13%, Secured redeemable non convertible debentures of Rs.100/- each, privately placed with UTI Bank Limited which were secured by way of second charge, ranking pari passu on the fixed assets of the company and personal guarantees of Managing Director were redeemable at par at the end of one year from date of subscription i.e. 22nd October, 2001. Such debentures were paid during the year and redeemed.

   d) 20,00,000 (previous year Nil) 12.50%, Secured redeemable non convertible debentures of Rs.100/- each, which are redeemable at par in three equal instalments at the end of 2nd, 3rd and 4th year from the date of allotment i.e. 25th October 2002, are secured by pari passu charge created/to be created on all present and future movable and immovable assets of the company except assets exclusively charged to specific lenders for part financing the specific assets and prior charges on specific movable assets in favour of the Company's bankers and personal guarantees of three promoter directors.

e) Nil (Previous year 56,70,098), 14%, Secured fully convertible debentures of Rs. 90/- each were convertible into equity shares at the expiry of 15 months from the date of allotment i.e. 5th September 2001, which were converted during the year into 45,401,140 equity shares (Refer Note No. 3 of Schedule 1). These debentures were secured by way of second charge (equitable and registered mortgage) on immovable properties of the company.

2. Term loans are secured as under :

a) Term loans from financial institutions and from banks (Including foreign currency loans) to the extent of Rs. 186.12 Crores (Previous year Rs.180.39 Crores) and Rs. 20 Crores (Previous year Rs. 14 Crores) respectively, are secured by a first charge ranking pari passu, created/to be created in the favour of IDBI for themselves and as a lead financial institution between the lenders, on all present and future movable and immovable assets of the Company except assets exclusively charged to specific lenders for part financing the specific assets and prior charges on specific movable assets in favour of the Company's bankers and personal guarantees of three promoter directors.

b) Term loans from banks to the extent of Rs. 21.95 Crores (Previous year Rs. Nil) are secured by exclusive charge on 10 Texturising machines/ fixed assets purchased under Technology Upgradation Fund Scheme ('TUFs') and further secured by personal guarantees of three promoter directors.

c) Term loan from the banks to the extent of Rs. 5 Crores are secured by second charge on all fixed assets of the Company except exclusively charged to specific lenders for part financing the specific fixed assets and personal guarantees of Managing director of the Company.

d) Term loan from the bank to the extent of Rs. 10 Crores are secured by subservient charge on all movable fixed assets of the Company except with prior charge on specific movable assets in favour of the company's bankers and personal guarantee of Chairman/ three Promoter Directors of the Company.

e) Term loans from banks to the extent of Rs. 12.81 Crores (Previous year Rs. 9.70 Crores) are secured by pari passu charge on all the current assets of the Company and second charge on fixed assets of the Company with prior charge in favour of Company's term loan lenders and personal guarantees of three promoter directors of the Company.

3. Working Capital limits from banks are secured by hypothecation of Company's inventories, 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 three promoter directors of the Company.

4. Hire Purchase / Lease loans are secured by the respective assets, mainly Plant and Machinery and Equipments, purchased under the said loans.

(Rupees in crores)

PARTICULARS	Note	AS AT 31.03.2003	AS AT 31.03.2002
SCHEDULE '4'			
UNSECURED LOANS	Note		
Fixed Deposits		**2.02**	1.84
Loans			
(a) From Banks	I	**42.66**	23.17
(b) From others		**1.68**	2.58
(c) From Directors		**–**	0.05
(d) From Associates		**4.02**	–
Total		**50.38**	27.64

Notes : -

I Loans from Banks

a) to the extent of Rs. 10 Crores (Previous Year Rs. 0.50 Crore) is secured on specific properties of promoters, relatives and associate concerns, personal guarantees of promoter directors and corporate guarantee of group company.

b) to the extent of Rs. 3.40 Crores (Previous Year Rs.4.25 Crores) is secured on specific properties of promoters, relatives and associate concerns, personal guarantees of promoter directors.

c) to the extent of Rs. 5 Crores (Previous Year Rs. Nil) is secured on personal guarantees of promoter directors and pledge of shares of company held by promoters.

d) to the extent of Rs. 1.71 Crores (Previous Year Rs.Nil) is secured on personal guarantees of two promoter directors.

SCHEDULE '5'
FIXED ASSETS

(Rupees in crores)

Sr. NO.		GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 01.04.02	ADDIT - IONS	DEDU CTIONS/ ADJUST- MENTS	AS AT 31.03.2003	AS AT 01.04.2002	FOR THE YEAR	DEDUCTION ON SALE/ TRANSFER	AS AT 31.03.2003	AS AT 31.03.2003	AS AT 31.03.2002
1	Freehold Land	4.36	—	—	**4.36**	—	—	—	**—**	**4.36**	4.36
2	Leasehold Land	0.56	—	—	**0.56**	—	0.06	—	**0.06** *	**0.50**	0.56
3	Factory Building	40.70	46.15	7.22	**79.63**	3.45	1.39	0.02	**4.82**	**74.81**	37.25
4	Office Premises	2.01	—	—	**2.01**	0.21	0.03	—	**0.24**	**1.77**	1.80
5	Plant & Machinery	190.02	124.39	(7.14)	**321.55**	41.25	22.98	0.04	**64.19**	**257.36**	148.77
6	Computer & Peripherals	3.52	0.48	0.02	**3.98**	1.37	0.47	0.02	**1.82**	**2.16**	2.15
7	Office Equipment	0.72	0.15	—	**0.87**	0.16	0.06	—	**0.22**	**0.65**	0.56
8	Furniture & Fittings	5.74	1.21	—	**6.95**	0.80	0.47	—	**1.27**	**5.68**	4.94
9	Vehicles	1.81	0.64	0.26	**2.19**	0.46	0.19	0.12	**0.53**	**1.66**	1.35
10	Tools & Equipment	0.10	0.06	—	**0.16**	0.04	0.01	—	**0.05**	**0.11**	0.06
	TOTAL CURRENT YEAR	**249.54**	**173.08**	**0.36**	**422.26**	**47.74**	**25.66**	**0.20**	**73.20**	**349.06**	**201.80**
	TOTAL PREVIOUS YEAR	**147.91**	**102.18**	**0.55**	**249.54**	**32.06**	**15.86**	**0.18**	**47.74**	**201.80**	

Notes :

1. Depreciation for the year includes Rs. 0.24 crore (Previous Year - Rs. 0.12 crore) which has been transferred to Incidental Expenditure during Construction period.
2. Addition to Plant and Machinery includes Rs. 1.67 Crores (Previous Year Rs. 0.43 crore) (net) being increase in liability payable in foreign currency consequent upon changes in the exchange rates.
3. Depreciation for the year includes Rs. 1.08 crores (Previous Year - Rs. Nil) in respect of earlier years.
4. Plant and Machinery and Computer and Pheripherals includes Rs. 1.66 Crores (Previous year Rs. Nil) and Rs. 0.22 crore (Previous year Rs. Nil) respectively acquired on lease.
5. Fixed Assets include Rs. 1.24 crores (Previous Year - Rs. 0.72 crore) acquired on hire purchase basis on which the lendors have a lien.
6. Deduction/Adjustment (Net) includes cost of the assets on reclassification from Factory Building to Plant and Machinery.(Gross Rs. 7.22 crores, written down value Rs. 7.20 crores)
7. Office Premises being cost of ownership flats in Co-operative society against which company has receieved shares of the value of Rs. 1000 under the bye laws of the society.

* Amount written off in respect of Leasehold land for the period of lease which has expired. (Refer Note No. 6 of Part B of Schedule 21)

(Rupees in crores)

PARTICULARS	AS AT 31.03.2003	AS AT 31.03.2002
SCHEDULE '6'		
CAPITAL WORK IN PROGRESS		
Capital Expenditure On Projects	24.85	66.03
(Including Assets acquired on lease Rs. 12.60 crores (Previous year Rs. Nil)		
Advance For Capital Expenditure	4.28	18.01
Total	29.13	84.04
SCHEDULE '7'		
INCIDENTAL EXPENDITURE DURING CONSTRUCTION		
(To be allocated on completion of project)		
Opening Balance	21.47	14.61
Add: Expenditure Incurred During the year		
Raw Material Consumption	4.29	—
Payment to and Provision for Employees	0.78	0.78
Stores and Spares Consumed	1.11	—
Power and Fuel	0.68	—
Miscellaneous Expenses	2.26	2.74
Fees, Rates and Taxes	0.28	1.96
Payment to Auditors	0.01	0.01
Interest	6.51	11.85
Depreciation	0.24	0.12
	37.63	32.07
Less : Stock of Finished Goods	(0.69)	—
: Stock of Work in Progress	(1.65)	—
: Sales (Trial Run Products Realisation)	(2.74)	—
(Net of Excise Duty Rs. 0.21 Crore)		
: Interest Received	(0.07)	(0.07)
(Tax Deducted at Source Rs. 0.02 crore, Previous Year Rs. 0.02 Crore)		
Total	32.48	32.00
Less : Allocated to Fixed Assets on completion of projects.	30.28	10.53
(Refer Note No. 8 of part B Of Schedule 21)		
Total	2.20	21.47
SCHEDULE '8'		
INVESTMENTS		
LONG TERM INVESTMENTS		
Trade Investments [At Cost]		
In equity shares		
Quoted, fully paid		
Grabal Alok Impex Limited 19,00,000 Equity Shares of Rs.10/- each	3.99	3.99
(Market Value as on March, 31 2003 Rs. 2.34 crores(as on March 31, 2002 Rs. 4.52 crores)		
Aggregate Cost	3.99	3.99
Unquoted, fully paid		
Dombivali Nagrik Sahakari Bank Ltd. 10,000 (Previous Year Nil) Equity Shares of Rs. 50/- each	0.05	—
Kalyan Janata Sahakari Bank Ltd. 10,000 (Previous Year Nil) Equity Shares of Rs. 25/- each	0.03	—
Aggregate Cost	0.08	—
TOTAL	4.07	3.99

Investment bought and sold during the year

Name	No. of shares	Face Value Rs.in crore	Purchase Cost Rs.in crore
Punjab National Bank	2,77,700	0.28	0.86

(Rupees in crores)

		AS AT 31.03.2003	AS AT 31.03.2002
SCHEDULE '9'			
INVENTORIES [At Cost or Net Realisable value whichever is lower]			
Stores, Spares, Packing Materials and others		2.05	1.11
Stock-intrade :			
Raw Materials	112.50		76.38
Process Stock	53.52		59.94
FInished Goods	110.79		61.36
		276.81	197.68
TOTAL		278.86	198.79
SCHEDULE '10'			
SUNDRY DEBTORS (Unsecured)			
(Refer Note No. 13 of part B of Schedule 21)			
Debt Outstanding for a period exceeding 6 months		10.73	5.80
Other Debts		257.00	180.64
Gross :		267.73	186.44
Less : Provision		2.21	0.58
TOTAL		265.52	185.86
Considered Good		265.52	185.86
Considered Doubtful		2.21	0.58
TOTAL		267.73	186.44
SCHEDULE '11'			
CASH AND BANK BALANCES			
Cash on hand		0.37	0.70
Balances with Scheduled Banks			
- In Current Accounts		1.33	0.42
- In Deposit Accounts (including interest accrued thereon)		22.45	16.94
TOTAL		24.15	18.06
SCHEDULE '12'			
LOANS AND ADVANCES			
[Unsecured]			
Advance recoverable in cash or kind or for value to be received		20.93	15.01
Deposits		1.42	1.56
Balances with Central Excise Collectorate		0.25	0.11
Share Application Money (including Rs.0.63 crore, previous year Rs.1 crore subsequently refunded/alloted)		2.58	3.45
		25.18	20.13
Less : Provision		0.56	—
TOTAL		24.62	20.13
Considered Good		24.62	20.13
Considered Doubtful		0.56	—
TOTAL		25.18	20.13

(Rupees in crores)

		AS AT 31.03.2003	AS AT 31.03.2002
SCHEDULE '13'			
CURRENT LIABILITIES :			
Sundry Creditors (including Acceptances Rs. 96.47 crores, {previous year Rs. 68.08 crores})			
– Small scale industrial undertakings	0.23		0.66
– Others	128.69		86.00
		128.92	86.66
Interest Accrued but not due on loans		2.48	2.16
Unclaimed Dividend *		0.46	0.15
Advance from customers		2.26	0.93
TOTAL		134.12	89.90

* These figures do not include any amounts due and outstanding to be credited to Investor Education and Protection Fund.

	AS AT 31.03.2003	AS AT 31.03.2002
SCHEDULE '14'		
PROVISIONS		
Provision for Gratuity and Leave Encashment	0.62	0.40
Proposed Dividend	5.87	3.70
Provision for Tax on Dividend	0.75	0.20
Provision for Taxation (net of advance tax payments)	1.48	1.63
TOTAL	8.72	5.93
SCHEDULE '15'		
MISCELLANEOUS EXPENDITURE		
[To the extent not written off or adjusted]		
Share Issue Expenses	0.20	0.36
Debenture Issue Expenses	0.63	0.80
Preliminary Expenses	0.32	0.39
Deferred Revenue expenditure	—	0.45
TOTAL	1.15	2.00

(Rupees in crores)

		year ended 31.03.2003	Year ended 31.03.2002
SCHEDULE '16'			
SALES			
Sales - Local	**757.67**		532.57
Sales - Export	**24.81**		21.65
		782.48	554.22
Export Incentive		**1.81**	1.29
TOTAL		**784.29**	555.51
SCHEDULE '17'			
OTHER INCOME			
Income from Long Term Investments			
- Dividend Income (Tax Deducted at Source Rs. 0.01 crore, Previous year Rs. Nil)		**0.10**	0.10
Profit on sale of long term investments		**0.03**	–
Rent		**0.05**	0.05
TOTAL		**0.18**	0.15
SCHEDULE '18'			
INCREASE IN STOCK OF FINISHED GOODS AND PROCESS STOCK			
CLOSING STOCK			
Finished Goods	**110.79**		61.36
Process Stock	**53.52**		59.94
		164.31	121.30
Less : Stock as on 31st January, 2003 (Vapi Process Unit)			
(Refer Schedule 7)			
Finished Goods	**0.69**		—
Process Stock	**1.65**		—
		2.34	—
LESS : OPENING STOCK			
Finished Goods	**61.36**		46.92
Process Stock	**59.94**		41.41
		121.30	88.33
TOTAL		**40.67**	32.97

(Rupees in crores)

		year ended 31.03.2003	Year ended 31.03.2002
SCHEDULE '19'			
MANUFACTURING AND OTHER EXPENSES			
Raw Material Consumed		**530.73**	375.88
Payment to and Provisions for Employees :			
Salaries, Wages and Bonus	**7.21**		5.82
Contribution to Provident Fund and Other Funds	**0.46**		0.42
Employees Welfare Expenses	**1.00**		0.55
		8.67	6.79
Operational and Other Expenses			
Stores and Spares		**6.72**	5.01
Packing Materials		**1.78**	1.21
Power and Fuel		**17.30**	12.18
Processing Charges		**8.08**	8.90
Labour Charges		**2.77**	2.30
Excise Duty		**2.91**	0.01
Donation		**0.02**	0.05
Exchange Rate Difference [Net]		**1.76**	0.02
Rates and Taxes		**2.50**	0.91
Repairs and Maintenance			
Plant and Machinery	**1.01**		0.43
Factory Building	**0.14**		0.06
Others	**0.45**		0.15
		1.60	0.64
Commission on Sales		**1.40**	0.82
Provision for Doubtful Debts and Advances		**2.19**	—
Directors Remuneration		**1.16**	1.14
Directors Fees and Commission		**0.04**	0.05
Auditors Remuneration (including service tax)			
Audit Fees	**0.07**		0.05
Tax Audit Fees	**0.01**		0.01
Certification Fees	**0.01**		0.01
		0.09	0.07
Insurance		**0.75**	0.58
Preliminary/Share Issue Expenses written off		**0.85**	0.78
Loss on Sale of Fixed Assets (net)		**0.02**	0.23
Miscellaneous Expenses		**39.01**	31.57
(Miscellaneous Expenses includes Printing and Stationery, Bank Charges. Bill Discounting Charges of Rs. 17.67 Crores {Previous year Rs. 20.21 crores}, etc.)			
TOTAL		**630.35**	449.14
SCHEDULE '20'			
INTEREST (NET)			
Interest Paid :			
On Debentures	**1.54**		1.91
On Fixed Loan	**28.53**		18.67
(Net of Interest Subsidy Rs. 3.60 crores Previous Year Rs. 1.34 Crores)			
On Cash Credit Accounts etc	**23.42**		19.06
		53.49	39.64
Less : Interest Received on Loans, Deposits etc		**1.98**	0.47
(Tax Deducted at Source Rs. 0.16 crore, Previous Year Rs. 0.06 Crore)			
TOTAL		**51.51**	39.17

Schedule '21'

A) SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation of Financial Statements

The accompanying financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles, the applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956.

2 Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles require estimates and assumption to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between, the actual results and estimates are recognised in the period in which the results are known / materialise.

3 Revenue Recognition

a) Revenue on sale of products is recognised when the products are despatched to customers, all significant contractual obligations have been satisfied and the collection of the resulting receivable is reasonably expected. Sales are stated net of returns and sales tax collected.

b) Revenue in respect of insurance/other claims, interest etc. is recognised only when it is reasonably certain that the ultimate collection will be made.

4 Contingent Liabilities

These are disclosed by way of notes on the Balance Sheet. Provision is made in the accounts in respect of those contingencies, which are likely to materialise after the year end, till the finalisation of accounts and have material effect on the position stated in the balance sheet.

5 Fixed Assets

a) Fixed Assets are stated at cost of acquisition or construction including incidental expenses. They are stated at historical cost.

b) Assets taken on lease:

(i) Finance Lease:

Assets taken on lease after April 1, 2001 are accounted for as fixed assets in accordance with Accounting standard on "Lease" AS 19 issued by ICAI. Accordingly, the assets have been accounted at fair value. Lease payments are apportioned between finance charges and reduction of outstanding liability.

(ii) Operating Lease:

Assets taken on lease under which, all the risk and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on accrual basis in accordance with the respective lease agreements.

6 Investments

Investments classified as Long Term Investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of investments.

Profit or Loss on sale of long term investments is arrived at after deducting the average carrying amount of the total holding of investments on the date of sale.

7 Incidental Expenditure During Construction

The Company accounts for expenditure during construction period as per the "Guidance Note on treatment of Expenditure during Construction Period" issued by the Institute of Chartered Accountants of India. All indirect expenses are allocated to various fixed assets on reasonable basis.

8 Depreciation

a) Depreciation on Fixed Assets is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

b) Cost of leasehold land is amortised over the period of lease (Refer Note 6 of Part B of Schedule 21).

9 Foreign Currency Transactions

Transactions in foreign currency are recorded at the original rates of exchange in force at the time the transactions are effected. Exchange difference arising on repayment of liabilities incurred on acquisition of fixed assets is adjusted in the carrying amount of the respective fixed asset. Exchange difference arising on settlement of other transactions are recognised in the Profit and Loss account. The values of fixed assets acquired through specific foreign currency loans are adjusted at the closing rates of exchange prevailing at the date of Balance Sheet or rate specified in the related forward contract. Monetary items other than those related to acquisition of fixed assets denominated in foreign currency are restated using the exchange rates prevailing at the date of the balance sheet and the resulting net exchange difference is recognised in the profit and loss account. In case of forward contract difference between the forward rate and exchange rate at the date of transaction is recognised as income or expense over the life of the contract.

10 Inventories

Items of Inventories are valued on the basis given below:

a) Raw Materials, Packing Materials, Stores and Spares: at cost determined on First – In – First – Out (FIFO) basis or net realisable value, whichever is lower.

b) Process stock and Finished Goods: At weighted average cost or net realisable values whichever is lower. Cost comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventory to their present location and condition.

11 Retirement Benefits

a) Contribution payable to the Company's Provident Fund is charged to revenue. The Company has taken a group gratuity policy for future payment of gratuity with the Life India Corporation (LIC) of India. Contribution payable by the company to the LIC is charged to revenue on the basis of demand worked out by LIC.

b) Provision for leave encashment is charged to revenue on the basis of actuarial valuation as at the year end.

12 Accounting of CENVAT credit

Cenvat credit available is accounted by recording material purchases net of excise duty. Cenvat credit availed of is accounted on adjustment against excise duty payable on despatch of finished goods.

13 Miscellaneous Expenditure

a) Public Issue Expenses have been written off from the date of allotment over a period of 10 years.

b) Preliminary Expenses have been written off from the date of commencement of commercial production over a period of 10 years.

c) Deferred revenue expenditure has been written off over the period of 5 years.

d) Debenture issue expenses have been written off over the period of 5 years.

14 Government Grants

Grants, in the nature of interest subsidy under the Technology Upgradation Fund Scheme (TUFS), are accounted for when it is reasonably certain that ultimate collection will be made. Government grants not specifically related to fixed assets is recognised in the Profit and Loss Account in the year of accrual / receipt.

15 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

16 Income taxes

Income taxes are accounted for in accordance with Accounting Standard on "Accounting for taxes on Income", (AS 22) issued by ICAI. Tax expenses comprise both current tax and deferred tax. Current tax is measured at the amount expected to be paid / recovered from the tax authority using the applicable tax rates. Deferred tax assets and liabilities are recognised for future tax consequence attributable to timing difference between taxable income and accounting income that are capable of reversing in one or more subsequent periods and are measured at relevant enacted tax rates. At each balance sheet date, the Company reassesses unrealised deferred tax assets to the extent they become reasonably certain or virtually certain of realisation, as the case may be.

B NOTES TO ACCOUNTS

1 Contingent Liabilities in respect of

(Rs. in crores)

Sr. No.	Particulars	Current Year	Previous Year
A	Customs duty on shortfall in export obligation in accordance with Exim Policy (The company is hopeful of meeting the export obligation within the stipulated period)	Amount Unascertained	Amount Unascertained
B	Guarantees given by banks on behalf of the Company	3.22	2.06
C	Guarantees given to Financial Institutions for third parties	12.88	18.70
D	Bills discounted	2.12	6.32
E	Disputed tax & Other demands	–	2.64

2 Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) (as certified by the Management)	14.66	21.65

3 Related Parties Disclosure

a) Names of related parties and nature of relationship

As per Accounting Standard AS - 18 "Related Party Disclosures" issued by the ICAI, Company's related parties disclosed as below:

1) Names of related parties and description of relationship.

I Associates

Alok Denims (India) Private Limited., Alok Finance Private Limited., Alok iTec Limited., Alok Knit Exports Limited, Alok Textile Traders, Ashok B. Jiwrajka (HUF), Ashok Realtors Private Limited., Buds Clothing Company, D. Surendra & Company Dilip B. Jiwrajka (HUF), Globus E-Commerce Limited, Grabal Alok Impex Limited, Honey Comb Knit Fabrics, Jiwrajka Associates Private Limited, Jiwrajka Investment Private Limited, Niraj Realtors & Shares Private Limited, Nirvan Exports, Nirvan Holdings Private Limited, Pramatex Enterprises, Pramita Creation Private Limited, Surendra B. Jiwrajka (HUF), Tulip Textiles and Vaibhav Knit Fab.

II Key Management Personnel (Excludes nominee directors)

Ashok B. Jiwrajka , Chandrakumar Bubna, Dilip B. Jiwrajka, Surendra B. Jiwrajka, Alok A. Jiwrajka, Sunil O. Khandelwal and K. H. Gopal

2) Nature of transaction with Associates & Key Management Personnel.

(Rs. in crores)

	Transaction	Associates	Key Management Personnel	Total
a)	Unsecured Loan			
	Balance as at 1st April	2.17	–	2.17
		(0.96)	–	(0.96)
	Received during year	54.86	–	54.86
		(28.14)	–	(28.14)
	Repaid / Adjustment during the year	52.01	–	52.01
		(26.93)	–	(26.93)
	Balance as at 31St March	4.75	–	4.75
		(2.17)	–	(2.17)
b)	Loan and Advances			
	Balance as at 1st April	1.13	–	1.13
		(1.46)	–	(1.46)
	Taken during year	0.15	–	0.15
		(0.36)	–	(0.36)
	Repaid / Adjustment during the year	0.05	–	0.05
		(0.39)	–	(0.39)
	Balance as at 31St March	1.23	–	1.23
		(1.43)	–	(1.43)
c)	Advance from Customers			
	Balance as at 31st March	0.75	–	0.75
		(-)	–	(-)
d)	Investment			
	Balance as at 1st April	3.99	–	3.99
		(3.99)	–	(3.99)
	Balance as at 31st March	3.99	–	3.99
		(3.99)	–	(3.99)
e)	Sundry Debtors			
	Balance as at 31st March	0.35	–	0.35
		(0.02)	–	(0.02)
f)	Sundry Creditors			
	Balance as at 31st March	0.03	–	0.03
		(-)	–	(-)
g)	Turnover			
	Sales of goods	11.97	–	11.97
		(12.82)	–	(12.82)
h)	Expenditure			
	Purchase of goods	3.14	–	3.14
		(4.26)	–	(4.26)
	Rent	0.22	0.01	0.23
		(0.24)	–	(0.24)
	Remuneration	–	0.20	0.20
		(-)	(0.18)	(0.18)
	Interest	0.63	–	0.63
		(-)	–	(-)
i)	Income			
	Dividend	0.10	–	0.10
		(0.10)	–	(0.10)
	Rent	0.05	–	0.05
		(0.05)	–	(0.05)
j)	Guarantees (Financial Guarantees)			
	Balance as at 31st March	13.22	–	13.22
		(18.70)	–	(18.70)

Note: 1) Related party relationship is as identified by the company and relied upon by the Auditors.

2) Previous year figures are given in brackets.

3) Details of remuneration to directors are disclosed in Note No 5 below.

b) Details in accordance with clause 32 of the listing agreement with the stock exchanges.

Loans & Advance to associates, firms or companies in which directors are interested – Rs. Nil (excludes deposit for rented premises and share application money).

4 Segmental Reports for the financial statements is given here under :

(Rs. in crores)

	Particulars	Fabric	Texturised Yarn	Others	Elimination	Total
1	**Revenue from Operation**					
	External Revenue	716.59	76.29	2.71	-	795.59
		(520.17)	(43.65)	(1.30)	-	(565.12)
	Intersegment revenue	1.92	6.88	0.04	8.84	-
		(59.65)	(5.58)	-	(65.23)	-
	Total Revenue	**718.51**	**83.17**	**2.75**	**8.84**	**795.59**
		(579.82)	**(49.23)**	**(1.30)**	**(65.23)**	**(565.12)**
2	**Segment Result Before Interest & Tax**	112.81	3.82	-1.23	-	115.40
		(79.16)	(2.73)	(-0.12)	-	(81.77)
	Less : i) Interest expenses (Net)	51.12	0.37	0.02	-	51.51
		(38.79)	(0.38)	(-)	-	(39.17)
	ii) Other unallocable expenses					4.53
						(0.15
	Provision for Tax - Current Tax					4.50
						(3.00)
	- Deferred Tax					12.55
						(1.54)
	Total Profit after Tax					**42.31**
						(37.91)
3	**Segment Assets**	917.50	53.34	2.70	-	973.54
		(703.16)	(25.75)	(1.24)	-	(730.15)
	Unallocable Assets					4.07
						(3.99)
	Total Assets					**977.61**
						(734.14)
4	**Segment Liabilities**	622.25	53.34	2.70	-	678.29
		(524.42)	(10.74)	(1.67)	-	(536.83)
	Unallocable Liabilities					45.05
						(8.57)
	Total Liabilities					**723.34**
						(545.40)
5	**Capital Expenditure**	68.52	29.60	0.78	-	98.90
		(126.48)	(1.17)	(0.06)	-	(127.71)
6	**Depreciation and Amortisation**	22.91	2.48	0.03	-	25.42
		(13.80)	(0.01)	(1.93)	-	(15.74)
	Unallocable Depreciation & Amortisation					0.85
						(0.78)
	Total Depreciation and Amortisation					**26.27**
						(16.52)
7	**Significant Non cash Expenditure**	4.54	-	-	-	4.54
		(0.37)	-	-	-	(0.37)

Note : 1) The Company had identified Business segment as a primary segment for disclosure as under

Fabric — Weaving, Knitting & Processing of fabrics

Texturised Yarn — Texturising of Partially Oriented Yarn

Others — Ready-made Garments

2) These business segments have been identified, considering:

- Differing risk & returns
- Organisational Structure
- Internal financial reporting system

3) Unallocated assets represent Fixed and other assets, which are not identified to any of the reportable segments as the same are used interchangeably between segments.

4) Revenue comprises of:

(Rupees in crores)

Particulars	31-03-2003	31-03-2002
Sales	**781.84**	554.05
Job Work Charges	**13.57**	10.92
Other Income	**0.18**	0.15
	795.59	565.12

5) Previous years figures are given in brackets.

5. Managerial Remuneration

	31-03-2003	31-03-2002
Salaries	**1.14**	1.14
Perquisites	**0.01**	0.01
Directors Sitting Fees	**0.01**	0.01
Commission	**0.04**	0.04
Total	**1.20**	1.20
Computation of net profit in accordance with Section 198 read with Section 309(5) of the Companies Act, 1956.		
Profit Before Tax as per Profit & Loss A/c	**59.36**	42.45
Add : 1) Directors Remuneration (including commission)	**1.19**	1.19
2) Sitting Fees	**0.01**	0.01
3) Loss on Sale of Fixed Assets	**0.02**	0.23
	60.58	43.88
Less: Profit on sale of long term investments	**0.03**	– –
Net Profit under Section 349 of the Companies Act, 1956	**60.55**	43.88
Salaries, Perquisites and Commission @10% of above	6.06	4.39
Less : Salaries and perquisites of the directors eligible for commission	1.15	1.15
Balance Commission	4.91	3.24
Actual Commission (As restricted by Board of Directors)	0.04	0.04

The Managerial Remuneration as above includes remuneration to Managing Director and other two directors of the company aggregating to Rs 0.05 crore for the period from 10th March, 2003 to 31st March, 2003 which is subject to approval of shareholders at the ensuing Annual General Meeting of the Company.

6 During the current year the company has charged to the Profit and Loss Account Rs. 0.06 crore on account of amortisation of leasehold land. Out of the above Rs. 0.05 crore pertains to the previous accounting periods.

7 The Company has acquired plant and machinery and computers on lease aggregating to Rs. 14.48 crores. The company capitalised the said assets at their fair value as the lease are in the nature of finance leases as defined in AS-19. Lease payments are apportioned between finance charge and deduction of outstanding liabilities. The details of lease rentals payable in future are as follows:

	Not later than 1 Year	Later than 1 Year but not later than 5 years	Later than 5 Years
Minimum Lease rentals payable (Previous year Nil)	Rs. 1.44 crores	Rs. 12.33 crores	Rs. 3.08 crores

8 The Company has completed its projects of setting up of ready made garment unit at Turbhe, Maharashtra, Yarn Texturising unit at Rakholi, Dadra and Nagar Haveli and Textile Processing unit at Vapi, Gujarat and commenced commercial production from 5th Feb 2003, 4th Feb, 2003 and 31st Jan, 2003 respectively. Accordingly, the incidental expenditure during construction period of Rs. 30.28 crores (Net) (Refer Schedule 7) has been allocated to Plant and Machinery and Building on completion of the projects. Printing and Made-ups unit at Vapi, Gujarat and Yarn Texturising Unit (No. 2) at Sayli, Dadra and Nagar Haveli are under construction. Hence incidental expenses during construction period amounting to Rs. 2.20 crores related with these projects are carried forward and will be capitalised on completion of the projects.

9 Deferred Taxation

a) Deferred Tax Assets and Liabilities arising on account of timing differences are as under:

(Rs. in crores)

I) Deferred Tax Liability (DTL)	**31.03.2003**	31.3.2002
i) Depreciation	**39.94**	7.28
ii) Other items	**0.91**	0.05
	40.85	7.33
II) Deferred Tax Asset (DTA)		
i) MAT Credit under section 115JAA of the Income Tax Act, 1961	**3.09**	4.67
ii) Other items	**1.43**	0.02
	4.52	4.69
(I-II) Total Deferred Tax Liabilities (Net)	**36.33**	2.64

b) The Deferred tax liability up to 31st March, 2002 was measured at the tax rate at which Minimum Alternate Tax was paid / payable under the Income tax Act, 1961 During the year, the Company has in accordance with interpretation issued by the ICAI recomputed Deferred Tax Liabilities as per the normal tax rates (as of 1st April 2001) and shortfall of Rs. 21.14 crores is charged to Revenue Reserve. Consequent to such re-computation, shortfall for the year ended 31st March, 2002 amounting Rs. 4.28 crores is charged to the Profit and Loss Account for the current year.

10 Earnings per share (EPS)

(Rs. in crores)

		31.03.2003	31.3.2002
a.	Net profit after tax	**42.31**	37.91
	Excess / (Short) Provision for Income tax in respect of earlier year	**0.12**	(0.40)
	Less: Dividend on Preference Shares including Dividend tax	**0.62**	0.80
	Net Profit Available for Equity Shareholders – (Basic)	**41.81**	36.71
	Add: Interest on Convertible Debenture	**—**	1.38
	Net profit available for Equity Shareholders – (Dilutive)	**41.81**	38.09
b.	Weighted average number of Equity Shares Basic (Nos.)	**56843930**	31196836
	Add: Potential Equity Shares (Nos.)	**—**	29220423
	Weighted average number of Equity Shares Dilutive (Nos.)	**56843930**	60417259
c.	Nominal value of equity shares per share (In Rupees)	**10**	10
d.	Basic Earnings per share (Rupees)	**7.36**	11.77
	Diluted Earnings per share (Rupees)	**7.36**	6.08

11 Sundry creditors for the year ended 31st March, 2003 include amounts due to the following small scale industrial undertakings which are outstanding for more than 30 days.

Alif Industries, Bharat Paper Tube and Gum Tapes, Nova Transformers Pvt. Ltd., Paresh Chemical Corporation, Sai Eshan Enterprises Pvt. Ltd., Sunil Printers and Syntex Corporation.

The above information regarding small-scale industrial undertaking has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

12 In the opinion of the Board, carrying value of all Current Assets, Loans and Advances and other receivables is not less than their realisable value in the ordinary course of business.

13 Sundry Debtors (Refer Schedule 10) includes Rs. 6,666/- (Previous Year Rs. 9,493/-) [Maximum amount outstanding during the year Rs. 16,373/- (Previous Year Rs. 20,643/-)] due form the officers of the company.

14 Additional Information required under Schedule VI, Part II of the Companies Act,1956

	Particulars	Units	31.03.2003 Quantity	31.03.2003 Value (Rs. in crores)	31.03.2002 Quantity	31.03.2002 Value (Rs. in crores)
(i)	**Sales (Net)**					
	a) Woven Fabric Manufactured	Mtrs.	79,653,470	581.86	61,100,858	414.04
	b) Woven Fabric Trading	Mtrs.	13,681,176	63.28	10,833,065	52.34
	c) Knitted Fabric	Kgs	3,459,716	60.15	1,953,801	44.18
	d) Yarn	Kgs	7,942,026	76.29	4,528,964	43.65
	e) Garments	Pcs	175,996	2.71	82,292	1.30
				784.29		555.51
(ii)	**Raw Material consumed**					
	1) Manufacture of woven fabrics					
	- Yarn	Kgs	3,240,830	42.66	2,719,525	24.25
	- Fabric	Mtrs	68,110,989	385.36	53,674,819	284.69
	2) Manufacture of knitted fabrics					
	- Yarn	Kgs	3,030,070	30.30	2,150,888	21.88
	- Fabric	Kgs	220,970	4.16	76,062	1.06
	3) Manufacture of Yarn					
	- Yarn	Kgs	9,214,777	60.33	5,000,193	36.74
	4) Processing					
	- Dyes & Chemicals	–	–	7.49	–	7.08
	5) Manufacture of Garments					
	-Woven Fabrics	Mtrs	419	0.01	5,830	0.04
	-Knitted Fabrics	Kgs	19,030	0.42	553	0.02
	- Garments	Pcs	–	–	3,906	0.12
				530.73		375.88
(iii)	**a) Opening Stock of Finished Goods**					
	a) Woven Fabric Manufactured	Mtrs	8,353,038	39.76	6,945,754	30.96
	b) Woven Fabric Trading	Mtrs	3,848,706	19.69	3,162,911	14.64
	c) Knitted Fabric	Kgs	66,728	1.35	68,586	1.17
	d) Yarn	Kgs	9,897	0.08	2,950	0.03
	e) Garments	Pcs	39,605	0.48	14,694	0.12
				61.36		46.92
	b) Closing Stock of Finished Goods					
	a) Woven Fabric Manufactured	Mtrs	12,525,505	78.74	8,353,038	39.76
	b) Woven Fabric Trading	Mtrs	6,301,295	28.22	3,848,706	19.69
	c) Knitted Fabric	Kgs	111,775	1.97	66,728	1.35
	d) Yarn	Kgs	94,797	1.08	9,897	0.08
	e) Garments	Pcs	60,857	0.78	39,605	0.48
				110.79		61.36
(iv)	**Purchase of Trading Fabric**	Mtrs	16,133,765	69.62	11,518,860	51.59
(v)	**Capacity & Production**					
	a) Production Capacity		Licensed	Installed	Licensed	Installed
	i) Fabric Manufacturing					
	- Single Width	Nos	N.A.	202 Looms	N.A.	184 Looms
	- Double Width	Nos	N.A.	60 Looms	N.A.	60 Looms
	ii) Yarn Manufacturing	Nos	N.A.	4464 Spindles	N.A.	1824 Spindles
	iii) Knit Manufacturing	Nos	N.A.	56 Machines	N.A.	56 Machines
	iv) Process House	Nos	N.A.	5 Stenters	N.A.	3 Stenters
	b)` Production					
	a) Woven Fabric	Mtrs	83,825,937		62,508,142	
	b) Knitted Fabric	Kgs	3,504,763		1,951,943	
	c) Yarn	Kgs	8,026,926		4,535,911	
	d) Garments	Pcs	197,248		107,203	
	Production excludes					
	1. Job Work for Outsiders					
	a) Knitted Fabric	Kgs	342,574		383,332	
	b) Processing for Woven Fabrics	Mtrs	8,649,899		6,749,717	
	c) Processing for Knitted Fabrics	Kgs	223,128		123,352	
	2. Production consumed internally					
	a) Knitted Fabric	Kgs	74,641		28,912	
	b) Yarn	Kgs	777,368		579,305	
	c) Processing for Woven Fabrics	Mtrs	7,165,401		7,173,474	
	d) Processing for Knitted Fabrics	Kgs	706,305		921,667	

(vi) CIF Value of Imports

(Rs. in crores)

	2002-2003	2001-2002
- Capital Goods purchased	**18.22**	69.36
- Stores & Spares purchased	**0.53**	0.01
	18.75	69.37
(vii) Expenditure in Foreign Currency		
- Foreign Travel / Business Promotion	**0.44**	0.28
- Technical Consultancy / Upfront Fees	**0.36**	0.08
- Interest on Foreign currency term loans	**1.55**	2.56
	2.35	2.92

(viii) Value of raw materials, stores and spares consumed during the year.

	2002-2003				2001-2002			
	Imported		**Indigenous**		Imported		Indigenous	
	Value (Rs. in crores)	**% of Total Consumption**	**Value (Rs. in crores)**	**% of Total Consumption**	Value (Rs. in crores)	% of Total Consumption	Value (Rs. in crores)	% of Total Consumption
Raw Materials	—	—	**530.73**	**100 %**	—	—	375.88	100 %
Stores and Spares	**0.53**	**7.89 %**	**6.19**	**92.11%**	0.01	0.20%	5.00	99.80%

(ix) Earning in Foreign Currency

(Rs. in crores)

	2002-2003	2001-2002
- FOB Value of Exports	23.99	20.39
(x) Dividend Remitted in Foreign Exchange		
Year of Dividend	2001-02	2000-01
Equity		
No. of shareholders	1	1
No. of shares held by them	492700	492700
Dividend remitted during the year (Rs. in crore)	0.05	0.05

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	3	2003
		Day	Month	Year

(Amount in Rs. Thousands)

II Capital raised during the year	
Public issue	NIL
Bonus issue	NIL
Right issue - Equity on conversion of Fully Convertible Debentures	454,011
Private Placement	NIL
III Position of mobilisation and deployment of funds	
Total Liabilities	9,787,538
Total Assets	9,787,538
Sources of Funds	
Paid up Capital	926,918
Reserves & Surplus	1,627,330
Secured Loan	4,937,917
Unsecured Loan	503,730
Application of Funds	
Net Fixed Assets	3,803,783
Net Current Assets	4,139,863
Investments	40,700
Miscellaneous Expenditure	11,549
IV Performance of the Company	
Turnover	7,954,137
Total Expenditure	7,769,023
Profit before Tax	593,554
Profit after Tax	423,089
Earning Per Share (Refer Note 10 of Part B of Schedule 21)	
- Basic	7.36
-Diluted	7.36
Dividend Rate	10%

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)	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.

16 The amounts in Balance Sheet and Profit and Loss account are rounded off to the nearest lakh and denominated in crores of rupees.

17 The figures of the previous year have been reclassified / regrouped wherever necessary to correspond with those of the current year.

As per our attached report of even date

For Gandhi & Parekh
Chartered Accountants

Devang B. Parekh
Partner

Mumbai : 6th September, 2003

For and on behalf of the Board

Dilip B. Jiwrajka
Managing Director

Surendra B. Jiwrajka
Executive Director

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

Mumbai : 6th September, 2003

Reconciliation of Net Profit determined under Indian GAAP with the Net Income in accordance with International Financial Reporting Standards.

The following reconciliation between net profit determined under generally accepted accounting principles in India ("Indian GAAP") to net income in accordance with International Financial Reporting Standards ("IFRS") has been provided as additional disclosure on a voluntary basis to assist readers who may be unfamiliar with Indian GAAP.

Year ended March 31, 2003	**Notes**	**Rs.**	**US $**
Net profit after tax determined under Indian GAAP		423,159,237	8,902,992
Adjustments to conform with IFRS			
Premium amortization	1	593,123	12,479
Deferred Revenue Expenditure	2	8,822,509	185,620
Foreign currency	3	4,529,055	95,288
Indirect preoperative expenses	4	13,395,890	281,841
Issue costs	5	(2,428,553)	(51,095)
Deferred tax	6	21,780,326	458,244
Dividend on redeemable preference shares	7	(6,237,997)	(131,243)
Excess tax provision	8	1,246,505	26,225
Gratuity	9	1,831,170	38,527
Convertible debentures	10	3,115,808	65,554
Total adjustments		46,647,836	981,440
Net Income in accordance with IFRS		**469,807,073**	**9,884,432**

1US $ = Rs. 47.53 (Exchange rate as on 31.03.2003)

Notes to reconciliation of net profit determined under Indian GAAP with net income in accordance with IFRS

The following notes show the differences between Indian GAAP and IFRS and necessary adjustments to arrive at net income under IFRS:

1. Under Indian GAAP, premium on leasehold land is generally amortised over the period of the lease term, which the Company cumulatively amortised in the financial statements of March 31, 2003.

   Under IFRS, such amortisation is mandatorily required and was accounted upto March 31, 2002 and hence the adjustment represents the reversal of the additional amortisation accounted cumulatively in the Indian GAAP.

2. Under Indian GAAP, presently preliminary expenditure, public stock issue expenditure and other start up costs are deferred.

   Under IFRS, the preliminary and start-up expenditure is expensed as incurred and the public issue expenditure is written off against the premium received from such issue.

3. Under Indian GAAP, foreign exchange differences relating to acquisition of fixed assets are adjusted to the carrying cost of such assets. Other foreign exchange differences are recognised in the Profit & Loss account.

   Under IFRS, all gains or losses arising out of foreign exchange differences are required to be included in the determination of net income. Depreciation has been adjusted to take account of IFRS adjustments to fixed assets for foreign exchange differences.

4. Under Indian GAAP, certain indirect expenses incurred during construction are capitalised.

   Under IFRS, such indirect expenses are expensed off as incurred. Depreciation has been adjusted to take account of IFRS adjustments to fixed assets for indirect preoperative expenses.

5. Under Indian GAAP, debt issue expenses may be capitalised or charged to securities premium.

   Under IFRS, debt issue costs are netted off against related borrowings and are amortised to income using the effective interest method.

6. Under Indian GAAP, deferred tax liability upto March 31, 2002 was computed at the Minimum Alternate Tax "(MAT)" rate instead of the normal rate. During the year ended March 31, 2003, the Company has recomputed its deferred tax liability based on applicable current tax rates in accordance with the interpretation issued by the Institute of Chartered Accountants of India. The shortfall arising on such recomputation has been charged to revenue to the extent it was applicable to the year ended March 31, 2002 and to Revenue reserves, to the extent it was applicable to the years ended before March 31, 2002.

   Under IFRS, the deferred tax liability has been computed on temporary differences between book and tax at the applicable substantively enacted tax rates and the resultant opening deferred tax liability has been set up as at March 31, 2002. The tax effects on the temporary differences for the year ended March 31, 2003 have also been computed according to the requirements of IFRS.

7. Under Indian GAAP, all preferred stock are considered as part of shareholders' funds and dividends thereon are appropriated from the cumulative profits as reflected in the profit and loss account.

   Under IFRS, mandatorily redeemable preferred stock is treated as debt and the dividends accrued on the said stock are charged to the income statement as a non-operating finance expense.

8. Under Indian GAAP, excess provision of income tax in respect of earlier years is shown after the net profit for the year.

   Under IFRS, the same is considered for computing the net income for the year.

9. The Company is covered under the Group Gratuity Scheme of the Life Insurance Corporation of India "(LIC)". Accordingly, the premiums paid to the LIC were charged to the profit and loss account upto March 31, 2002. During the year ended March 31, 2003, the Company computed such liability based on actuarial valuation and provided the same in the profit and loss account based on the said valuation.

   Under IFRS, the gratuity liability was computed based on actuarial valuation and charged to the Income statement except liability upto March 31, 2002, which is adjusted to the retained earnings as at April 1, 2002.

10. Under Indian GAAP, fully convertible debentures are classified as liability and no distinction is made in classification between convertible and non-convertible debt. The interest on such debentures, based on the coupon rate of the respective debentures issued, is charged to the profit and loss account.

    Under IFRS, mandatory convertible debt is regarded as compound instrument consisting of a liability component and an equity component. At the date of issue, the liability component is measured first on discounted value basis of the future interest payable and the residual value is assigned to equity. On an annual basis, until actual conversion, the payment of interest at the coupon rate is segregated into a) reduction of the liability and b) interest expense (based on the discount rate used during the initial recognition).

11. Use of estimates: In preparing the reconciliation statement, management is required to make estimates and assumptions that affect the reported amounts of net income as of the date of the reconciliation statement. Actual results could differ from the estimates.

12. The Company adopted IFRS voluntarily though the applicability thereof commences from the financial periods beginning on/after 1.1.2004. Broadly, IFRS refers to the entire body of IASB pronouncements and interpretations approved by the IASB and IAS and SIC interpretations approved by the predecessor IASC.

Deloitte Haskins & Sells Chartered Accountants	**For Alok Industries Limited**	
P. R. Barpande Partner	**Dilip B. Jiwrajka** Managing Director	**Surendra B. Jiwrajka** Executive Director

Mumbai, dated: 21st January , 2004

Reconciliation of Net Profit determined under Indian GAAP with the Net Income in accordance with International Financial Reporting Standards.

To the Board of Directors of

Alok Industries Limited

We have audited the Balance Sheet of Alok Industries Limited as of 31st March 2003 and the Profit and Loss account for the year then ended and have issued our report thereon dated 21st January, 2004. Our audit also included the accompanying Reconciliation of Net Profit under Indian GAAP to Net Income in accordance with International Financial Reporting Standards ("the Reconciliation"). This Reconciliation is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audit. In our opinion, such Reconciliation, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects, the information set forth therein.

Deloitte Haskins & Sells
Chartered Accountants

P. R. Barpande
Partner

Mumbai, INDIA
21st January , 2004

DYED YARN

Annual General Meeting

Date	:	30th September 2003
Venue	:	ORT SIMEON CENTER, ORT India Building, 68 Worli Hill Road, Worli, Mumbai-400018
Time	:	11.00 a.m.

Book Closure Date

The book closure period will be from 26th September 2003 to 30th September 2003 (both days inclusive).

Financial Calendar

Financial Year : 1st April 2002 to 31st March 2003

For the year ended 31st March 2003, the results were declared on

First Quarter	-	30th July 2002
Second Quarter	-	30th October 2002
Third Quarter	-	30th January 2003
Fourth Quarter & Annual	-	29th April 2003

Financial Year : 1st April 2003 to 31st March 2004

For the year ended 31st March 2004, the results will be declared on (the dates are subject to change)

First Quarter	-	Last week of July 2003
Second Quarter	-	Last week of October 2003
Third Quarter	-	Last week of January 2004
Fourth Quarter & Annual	-	Last week of April 2004

Dividend

A dividend of Rs 1.00 per share was recommended on 06.09.2003 and, subject to the approval of the shareholders at the AGM, will be paid on or before 30th October 2003.

Listing

The company's shares are listed and traded on the stock exchanges at Mumbai, Ahmedabad, Delhi, Chennai and the National Stock Exchange of India Limited.

Listing fees as prescribed have been paid to all the Stock Exchanges upto 31st March 2004

Stock Codes

Name of the Stock Exchange	Stock Code
National Stock Exchange of India Limited	ALOKTEXTEQ
The Stock Exchange, Mumbai	521070
Madras Stock Exchange Limited	ALK
The Delhi Stock Exchange Association Limited	101222
The Stock Exchange, Ahmedabad	ALOKIND-03240

The ISIN numbers (or demat numbers) of Alok Industries Limited for Equity Shares on both the NSDL & CDSL is INE270A01011

Stock Data

The closing rates of Alok Industries Limited at the Stock Exchange, Mumbai and the National Stock Exchange of India Limited as on 31st March 2003 are Rs. 9.70 and Rs. 9.80 respectively.

(High/Low and volume of shares traded in BSE and NSE)
(01.04.2002 to 31.03.2003)

Month	Mumbai Stock Exchange (BSE) High	Low	Volume	National Stock Exchange (NSE) High	Low	Volume
April	9.90	8.25	312376	10.00	8.45	613151
May	12.95	7.40	1324631	13.00	8.50	2845180
June	15.10	9.15	4032770	15.00	9.15	6617627
July	22.00	12.00	7714920	22.00	12.00	15430286
August	15.40	12.50	590067	15.10	12.50	1451406
September	15.50	11.60	406315	14.65	11.60	744328
October	14.25	11.00	383570	14.00	10.35	512668
November	15.00	12.85	1231290	15.00	12.00	2223366
December	15.20	12.40	982166	15.50	12.40	2452941
January	14.55	12.20	755301	14.60	12.10	2079755
February	13.00	11.15	938325	11.20	12.10	2017242
March	11.70	9.70	373697	11.75	9.60	994915
			19,045,428			**37,982,865**

Distribution of Shareholding

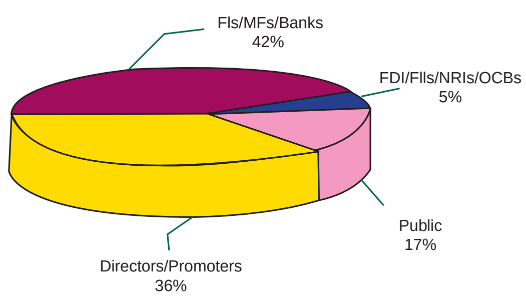
Following are the distribution pattern of shareholding by size and by categories of Alok Industries Limited as on 31st March 2003

Distribution of shareholding by size class, 31st March 2003

No. of Equity shares held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
1 - 5,000	14,203	73.13	32,36,254	3.69
5,001 - 10,000	2,580	13.28	22,14,129	2.52
10,001 - 20,000	1,275	6.57	20,25,398	2.31
20,001 - 30,000	466	2.40	12,15,380	1.39
30,001 - 40,000	222	1.14	8,01,638	0.91
40,001 - 50,000	154	0.79	7,33,317	0.84
50,001 - 1,00,000	252	1.30	19,01,340	2.17
1,00,001 & Above	269	1.39	7,55,64,372	86.17
Totals	**19,421**	**100.00**	**8,76,91,828**	**100.00**

Distribution of shareholding by categories of shareholders, 31st March 2003

Category of Shareholders	No. of shares held	% of shares holding
Directors/Promoters	3,16,84,983	36.13
FIs/ MFs/ Banks	3,69,19,343	42.10
FDI/ FIIs/ NRIs/ OCBs	44,53,383	5.08
Public	1,46,34,119	16.69
Total	8,76,91,828	100.00



Shares held in physical and dematerialised form

As on 31st March 2003, 89.25 % of Alok's shares were held in dematerialised form and the rest in physical form.

Equity History

Year allot-ment	Shares (Nos)	Face Value (Rs.)	Cummulative share capital (Rs.)	Particulars
1986	400	10/- each	4,000	Issued to Promoters
1988	2,15,000	10/- each	21,54,000	Issued to Promoters
1989	32,100	10/- each	24,75,000	Issued to Promoters
1992	2,37,200	10/- each	48,47,000	Issued to Promoters
1992	2,47,500	10/- each	73,22,000	Bonus
1993	4,97,896	10/- each	1,23,00,960	Bonus
1993	2,65,000	10/- each	1,49,50,960	Issued to Promoters
1993	22,50,000	10/- each	3,74,50,960	Public Issue
1997	74,90,192	10/- each	11,23,52,880	Rights Issue (2:1)
1997	12,40,000	10/- each	12,47,52,880	Private Placement with FII
1998	22,50,000	10/- each	14,72,52,880	Preferential Issue to promoters
1998	91,42,700	10/- each	23,86,79,880	Private Placement of equity shares with FDI
2000	25,90,000	10/- each	26,45,79,880	Conversion of Optionally Fully Convertible Debentures issued to FI into equity shares
2000	18,92,500	10/- each	28,35,04,880	Conversion of Preference shares issued to FIs
2002	1,39,40,200	10/- each	42,29,06,880	Conversion of Privately Placed Secured Fully Convertible Debentures issued to FIs/Banks into equity shares
2002	4,54,01,140	10/- each	87,69,18,280	Conversion of 14% Fully Convertible Debentures in to equity shares on Rights basis.

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.

Registrar and Share Transfer Agent

Share transfer and communication regarding share certificate, dividends and change of address etc may be addressed to:

Intime Spectrum Registry Limited
Registrar and Share Transfer Agents
C-13, Pannalal Silk Mills Compound,
L B S Marg,
Bhandup (West),
Mumbai-400 078.
Tel:- (022) 5555 5454, Fax:- (022) 2567 2693

Investor Correspondence

Any investor correspondence, regarding transfer/dematerialisation of shares, interest /dividend and redemption of debentures and any other query relating to the shares and debentures of the Company, should be addressed to:

For shares held in Physical form

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

For shares held in Demat form

To the Depository Participant.

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) 2494 0129, Fax:- (022) 2493 6078
Email: gopal@alokind.com

Web Site

Please visit us at http://www.alokind.com for further financial and other information about the Company.

HEALTH, SAFETY AND ENVIRONMENTAL POLICY

Your Company recognizes the importance of managing effectively and seeking continuous improvement in health, safety and environmental matters as an integral part of its business activities. It has been our continuous endeavour to provide an environment, which ensures health, safe working conditions and safe practices.

We are committed to:

a) Prevention and control of land, air, water and noise pollution;

b) Conservation of natural resources and developing green zones in and around our plants and offices;

c) Compliance with applicable laws, rules and regulations;

d) Prevention of child labor;

e) Reduction of waste generation and its proper disposal;

f) Providing a safe and healthy environment at the workplace for employees and visitors;

g) Inculcate awareness among all employees, contractors and visitors regarding health, safety and environment;

h) Achieving ISO 14001 and OHSAS 18001 standards for our organization;

i) Achieving world wide best practices in health, safety and environmental management and recognition as leaders in these areas in the Indian textile industry

j) External reporting of our health, safety and environmental performance.

We, at Alok, have been constantly re-inventing ourselves and looking inwards in order to evolve and grow as a world-class corporation. We feel and believe that in order to emerge as a globally competitive textile organisation, the following need to be firmly entrenched from within:

- That People are the organisation and Teamwork makes it complete.
- That Commitment is a culture and Dedication, a solemn policy.
- That Change is constant and Innovation is a never ending endeavour.
- That Precision cannot be compromised and Impeccable products would follow.
- That Timeliness is valued and Punctuality is a must.
- That Modernisation is the key and Technology has to be sophisticated.
- That evaluated Risk is a stepping-stone and Success, a natural consequence.
- That the World is Ours and we need to keep it Beautiful.

NOTES

PROXY FORM

ALOK INDUSTRIES LIMITED

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

REGD. FOLIO	
DP. ID – CLIENT ID	
PROXY NO.	
NO. OF SHARES	

I/We ______________________________ of ______________________________ in the district of ______________________________ being a member/members of Alok Industries Limited, hereby appoint ______________________________ of ______________________________ in the district of ______________________________ or failing him ______________________________ of ______________________________ in the district of ______________________________ as my/our proxy to attend and vote for me/us and on my/our behalf at the Seventeenth Annual General Meeting of the Company to be held on Tuesday, the 30th day of September, 2003, at 11.00 a.m. at ORT SIMEON SEMINAR CENTRE, ORT India Building, 68, Worli Hill Road, Worli, Mumbai - 400 018 and at any adjournment thereof.

Signed on this ____________ day of ____________ 2003

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

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 : ______________________________

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I hereby record my presence at the Seventeenth Annual General Meeting of the Company being held on Tuesday, the 30h day of September, 2003 at 11.00 a.m. at ORT SIMEON SEMINAR CENTRE, ORT India Building, 68, Worli Hill Road, Worli, Mumbai - 400 018

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Signature of Member/Joint Member
Proxy attending the meeting

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

NOTES