

BUSINESS RESPONSIBILITY REPORT



Pursuant to Regulation 34(2) (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identity Number(CIN) of the Company	L17110DN1986PLC000334						
Name of the Company	Alok Industries Limited (Alok / the Company)						
Registered address	Survey Nos. 17/5/1 & 521/1, Village Rakholi/ Saily, Silvassa-396230 Union Territory of Dadra & Nagar Haveli Tel: 0260-6637000; Fax: 0260-2645289						
Website	www.alokind.com						
E-mail id	investor.relations@alokind.com						
Financial Year reported	2020-21						
Sector(s) that the Company is engaged in (industrial activity code-wise)	<table border="1"> <thead> <tr> <th>S. No</th> <th>Name and Description of main products / services</th> <th>NIC Code of the Product/ service</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Manufacturer and Seller of Textile products</td> <td>2350, 2351, 2360, 2622, 2650, 2673, 3061 and 3062</td> </tr> </tbody> </table>	S. No	Name and Description of main products / services	NIC Code of the Product/ service	1	Manufacturer and Seller of Textile products	2350, 2351, 2360, 2622, 2650, 2673, 3061 and 3062
S. No	Name and Description of main products / services	NIC Code of the Product/ service					
1	Manufacturer and Seller of Textile products	2350, 2351, 2360, 2622, 2650, 2673, 3061 and 3062					
List three key products/services that the Company manufactures/ provides (as in balance sheet)	a) Apparel Fabrics, b) Home Textiles c) Polyester Yarn						
Total number of locations where business activity is undertaken by the Company:							
(a) Number of International Locations (Provide details of major 5)	1 (One), Sri Lanka						
(b) Number of National Locations	3 (Three) Mumbai, Vapi and Silvassa						
Markets served by the Company – Local/State/ National/ International/	In addition to serving Indian markets, Alok exported to 25 countries worldwide during Financial Year 2020-21.						

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Paid -up capital (₹)	₹ 746.52 crore as on 31st March, 2021.
Total Turnover (₹)	₹ 3,735.31 crore for the year ended 31st March, 2021.
Total loss after taxes (₹)	(₹ 5,854.99 crore) for the year ended 31st March, 2021.
Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	As the average of net profits of the Company during the previous three financial years was negative, no amount was required to be spent on CSR mandatorily during 2020-21.
List of activities in which expenditure in above has been incurred:-	NA

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/	The Company has 12 subsidiary Companies including 6 direct subsidiaries and 6 step down subsidiaries (3 under liquidation).
2. Do the Subsidiary Company/ Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such subsidiary Company(s).	The subsidiaries of the Company are separate legal entities and follow BR initiatives as per rules and regulations as may be applicable to them.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Alok was under the Corporate Insolvency Resolution (CIR) process since 18th July, 2017 as detailed elsewhere in this Annual Report. The resolution plan submitted by the resolution applicants, duly approved by the adjudicating authority, was implemented during the financial year 2020-21. During the financial year 2020-21, the new management undertook repairs, maintenance, upgradation and modernization of the textile operations at all plants and operations are still stabilizing. The Company has not mandated any supplier, distributor etc. to participate in the BR initiatives of the Company. However, they are encouraged to adopt BR Initiatives and follow the concept expected from responsible businesses.

SECTION D: BR INFORMATION

1 Details of Director/ Directors responsible for BR

Details of Director/ Directors responsible for implementation of the BR Policy/ Policies:	i.	Name	:	Mr. A. Siddharth
	ii.	DIN	:	00016278
	iii.	Designation	:	Chairman
	iv.	Tel. Number	:	+91 (022) 61787000
	v.	Email id	:	investor.relations@alokind.com
Details of BR head				Mr. A. Siddharth

2 Principle-wise (as per National Voluntary Guidelines) BR Policy/Policies

a) Details of compliance (Reply in Y/N)

Sr.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a Policy/Policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the Policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the Policy conform to any national/ international standards? If yes, specify? (50 words)	The Policies conform to the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, National Guidelines on Responsible Business Conduct notified by Ministry of Corporate Affairs, Government of India.								
4	Has the Policy been approved by the Board? If yes, has it been signed by the MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the Policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link to view the Policy online	https://www.alokind.com/Downloads/Business_Responsibility_Policy-26.04.2021.pdf								
7	Has the Policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the Policy/ Policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the Policy/ Policies to address stakeholders' grievances related to the Policy/ Policies?	Yes, any grievance or feedback related to the Policies can be sent to investor.relations@alokind.com.								
10	Has the Company carried out independent audit/ evaluation of the working of this Policy by an internal or external agency?	The Policy, on a voluntary basis, was framed prior to Alok being admitted to the CIR process and the new Board of Directors was re-constituted only on 14th September, 2020 in accordance with the approved resolution plan. The Policies are being evaluated internally from time to time and updated whenever required.								

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b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principle									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the Policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									NOT APPLICABLE
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									
7.	Governance related to BR									
	a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year. The BR performance of the Company is annually assessed by the BR Head during the year.									
	b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? Pursuant to Regulation 34 of the Listing Regulations, the Company publishes a Business Responsibility Report as an Annexure to the Directors' Report on an annual basis. Business Responsibility Report of the Company is available at the Company's website and can be accessed through the link: https://www.alokind.com/downloads/Alok-Business_Responsibility_Report_2020-21.pdf									

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 Businesses should conduct and govern themselves with ethics, transparency and accountability

1. Does the Policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs /Others?

The Policy relating to ethics, transparency and accountability covers the Company and its group companies including Joint Ventures and Associate Companies and the Suppliers / Contractors / NGOs dealing with the Company are also encouraged to maintain ethical standards in all their practices. The employees are encouraged to work on the principle that they should "act ethically even when nobody is watching"

The Company has adopted a "Code of Business Conduct and Ethics" which mandates the Directors, Senior Management and Employees of the Company to act honestly, ethically and with integrity and deal fairly with the Company's customers, suppliers, dealers, investors and competitors.

The essence of Company's governance philosophy is based on fairness, transparency, accountability and responsibility aligned with best management practices and ethical values. Company has put in place Vigil Mechanism Policy which serves as a tool for its directors and employees to report any genuine concerns about unethical behaviour, actual or suspected without fear of reprisal.

With the implementation of the Code to Regulate, Monitor and Report Trading in Securities of the Company by Directors, Promoters, Designated Persons and specified Connected Persons of the Company and Material Subsidiaries of the Company, the Company has created awareness amongst the employees to deal with price sensitive information in an ethical manner and not deal in securities of Company when in possession of such information for unlawful gains.

The aforementioned Codes/Policies have been uploaded on the website of the Company www.alokind.com under the "Investor Relations" section.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company has in place, a mechanism for dealing with complaints received from various stakeholders. The details of shareholders complaints received and resolved during the financial year 2020-21 are provided in the Corporate Governance Report.

Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company understands its obligations relating to social and environmental concerns, risks and opportunities. The Company ensures fulfillment of

compliance obligations that relate to its products, environmental aspects and occupational health and safety. During the financial year under review, the Company was engaged in manufacturing of following main products; a) Apparel Fabrics b) Home Textiles c) Polyester Yarn.

The products of the Company are manufactured in compliance with applicable laws, regulations and the products are supplied in the Business to Business segment. The Company's manufacturing processes have adequate systems and processes which ensure protection of environmental factors like reduction of emissions, discharge of pollutants and hazardous waste and treatment thereof in systematic manner to minimize adverse environmental impact. The Company prioritizes domestic sourcing wherever possible. Efforts are also made to transport maximum cargo via ship/rail.

The manufacturing process also takes care of other aspects like minimizing and treatment of occupational disease, safety measures to avoid accidents, fire / leakages by adopting certain measures including a) selecting right equipment, processes, inputs and tracking emissions and b) organizing safety awareness programs, safety training, structural audit. The Company also provides employment opportunities to local people around its manufacturing plants.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

The Company is committed to environment sustainability. The Company works towards reduction and optimal utilization of energy, water, raw material, logistics etc. by incorporating new techniques and innovative ideas.

As consumption per unit depends on the product mix and other variables there are no specific standards to ascertain reduction achieved at each product level.

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company operates in Business to Business segment therefore the Company's products do not have any broad-based impact in the reduction of consumption of energy and water by its consumers. The Company is generally committed to reduce waste, conservation of raw material, resources and energy through various initiatives, technological upgradation.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has a structured procedure for sourcing to ensure raw materials are sourced in an optimal and sustainable manner. The Company procures key raw material like raw cotton from Maharashtra, Gujarat and Madhya Pradesh, Cotton Yarn from Tamil Nadu, Maharashtra, PTA, MEG and Furnace Oil from Gujarat and Chemicals and Dyes from Maharashtra and Gujarat. The sourcing of raw materials like cotton, cotton yarn, PTA, MEG were made through rail wagons and road transport.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company believes in inclusive growth and encourages local sourcing wherever possible. The Company is promoting and encouraging surrounding areas local small suppliers, civil, housekeeping, horticulture contractors and transporters which help them in securing work contracts. Most of such local suppliers are categorized under MSME (Micro, Small & Medium Enterprises) sector. To ensure improvement of capacity and capability of such local suppliers the Company ensures the timely payments against the respective services rendered by them. The Company do avail/employ people residing in vicinity of plants of the Company, whenever required, for the purpose of its manufacturing activities. The Company is providing technical and safety training, as required in plant, which makes them more reliable and employable in safe ways.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.

The Company encourages the use of recycled products and has set up a recycled polyester unit to recycle polyester and polyester yarn waste and flakes to produce 100% recycled polyester fiber. In view, however of the reduced capacity utilization, over the past few years, the percentage of recycling is not significant. Solid waste at the processing plant is managed through an external solid waste management Company. Alok also has an effluent treatment plant for primary, secondary and tertiary treatment of effluent.

Principle 3 Businesses should promote the well-being of all employees

- | | |
|---|-------|
| 1. Please indicate the total number of employees: | 24481 |
| 2. Please indicate the total number of employees hired on temporary/contractual/casual basis: | 11188 |
| 3. Please indicate the number of Permanent Women Employees: | 1131 |
| 4. Please indicate the number of permanent employees with disabilities: | 32 |
| 5. Do you have an employee association that is recognized by management: Yes/No | No |
| 6. What percentage of your permanent employees is members of this recognized employee association? | N.A. |
| 7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. | |

Category	No. of complaints pending at the beginning of the financial year	No. of complaints filed during the financial year	No. of complaints Resolved during the financial year	No. of complaints pending as on end of the financial year
Child labor/ forced labor/ involuntary labor	Nil	Nil	Nil	Nil
Sexual harassment	Nil	Nil	Nil	Nil
Discriminatory employment	Nil	Nil	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Sr. No	Category of Employees	% of training given at Silvassa location	% of training given at Vapi Location
a)	Permanent Employees	90%	90%
b)	Permanent Women Employees	90%	85%
c)	Casual/Temporary/ Contractual Employees	80%	75%
d)	Employees with Disabilities	N/A	N/A

Principle 4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes. The stakeholders have been mapped and the key stakeholders are as follows: a) Government and regulatory authorities b) Investors and Shareholders c) Employees d) Customers e) Local Communities f) Suppliers/contractors g) Lenders.

The Stakeholders' Relationship Committee of the Company specifically looks into various aspects of interest of shareholders, and other security holders of the Company.

Also at plant locations the management engages with other stakeholders to understand and resolve any concern of the stakeholders.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.

The Company is committed to the welfare of marginalized and vulnerable sections of the society. The Company engages with its stakeholders on an on-going basis. The Company has also identified specific areas like empowering underprivileged/vulnerable stakeholders which help them to improve their standard of living.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company has always strived to contribute to different sections of the society. Beyond business, the objective of Company's social initiatives are conceptualized to create inclusive growth for the lesser privileged sections of the society. In light of the fact that the Resolution Plan was fully implemented only in September 2020, the Company is gradually stabilizing its operations and regaining normalcy. The Company will in due course take up certain special initiatives as directed by the new management.

Principle 5 Businesses should respect and promote human rights

1. Does the Policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company strictly follows highest ethics including protection of human rights while conducting its business activities. The Company's stand on human rights, include non-discrimination, prohibition of child and enforced labour, freedom of association and the right to engage in collective bargaining.

The Company's Policy for Prevention of Sexual Harassment of Women at workplace is applicable to all the employees including contractual and also covers contractual, temporary, visitors.

The Whistle Blower Policy/Vigil Mechanism of the Company also provides a mechanism for directors and employees of the Company to approach the Chairman of the Audit Committee of the Board to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct or any other unethical or improper activity.

The Company has also extended strong support to manpower by covering them in Group Mediclaim Policy. The Company abides by all the rules and regulations related to human rights which are applicable in the area of operations.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company has not received any complaints pertaining to sexual harassment or principles related to human rights and there is no complaint pending to be resolved in this respect, during financial year 2020-21.

Principle 6 Business should respect, protect, and make efforts to restore the environment

1. Does the Policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Company has a Policy on Conservation and Preservation of the Environment. All the plants of the Company maintain the generation of emissions and waste within the permissible limits given by State Pollution Control Boards (SPCB) to minimize adverse impact on environment.

The Company has adopted an integrated approach towards addressing biological diversity at various sites. There has been greenery developed in and around the manufacturing sites leading to reduced dust, improved micro-climate conditions, enhanced ambience for natural flora and fauna, reduction in evaporation losses of water, and so on.

The Company while dealing with its suppliers/contractors and other concerned parties, always ensures to conduct its dealings in accordance with Policy on Conservation and Preservation of the Environment.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

The Company understands the global issue of climate change and aims to initiate maximum possible actions to address it. The Company is committed to;

- i) Addressing environmental issues through efficient use of natural resources, promote use of renewable energy, minimization of wastes, water management, protecting the biodiversity and reducing carbon footprint.
- ii) Effective implementation of environmental management system to prevent, mitigate and control environmental damages.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company assesses the potential impacts of its operations on the environment through the implementation of measures for the conservation and preservation of the environment. Potential environmental risks are identified and suitable steps taken to measure and mitigate risk through a structured approach.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Owing to the fact that the implementation of the approved resolution plan was completed during the year under review, the Company could not take up any project related to Clean Development Mechanism (CDM).

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

No

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions/waste generated by the Company are within the permissible limits given by CPCB/SPCB for air emissions, effluent quality and discharge, solid and hazardous waste generation and disposal.

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- 7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**

As on 31st March, 2021, there was no pending show cause or legal notices received from CPCB or SPCB.

Principle 7 Businesses, when engaged in influencing public and regulatory Policy, should do so in a responsible manner

- 1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is a member of Apparel Export Promotion Council, Synthetic and Rayon Textiles Export Promotion Council and The Cotton Textiles Export Promotion Council.

- 2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Yes, the Company has been raising various issues for the Industry through the above-mentioned associations.

Principle 8 Businesses should support inclusive growth and equitable development

- 1. Does the Company have specified programmes/ initiatives/projects in pursuit of the Policy related to Principle 8? If yes details thereof.**

The Company has adopted a Corporate Social Responsibility (CSR) Policy which governs the CSR activities as per the said Policy. As the average net profit of the Company during the previous three financial years was negative, it was not mandated to spend any amount on CSR during 2020-21.

- 2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/ government structures/any other organization?**

Not Applicable as no such programmes were undertaken for the reason stated in (1) above.

- 3. Have you done any impact assessment of your initiative?**

No.

- 4. What is your Company's direct contribution to community development projects- Amount in Rs. and the details of the projects undertaken.**

As the average net profit of the Company during the previous three financial years was negative, it was not mandated to spend any amount on CSR during 2020-21

- 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

As and when the Company undertakes expenditure on CSR as per its CSR Policy, it will ensure that, community development initiatives, if any, are successfully adopted by the community.

Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

- 1. What percentage of customer complaints/consumer cases are pending as on the end of financial year**

None.

- 2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)**

The Company displays product information on labels as mandated by law supplemented by additional information as per the requirements of the customer.

- 3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

None

- 4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

The Company proposes to examine the need to carry out consumer surveys basis the market segment and the products dealt in by the Company and act accordingly.