

FAITH FOCUS COMMITMENT

29th Annual Report | 1st April, 2015 to 31st March, 2016

ANNEXURE-B FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

1. REGISTRATION AND OTHER DETAILS:

CIN	L17110DN1986PLC000334
Registration Date	12 th March, 1986
Name of the Company	ALOK INDUSTRIES LIMITED
Category	COMPANY LIMITED BY SHARES
Sub-Category of the Company	INDIAN NON-GOVERNMENT COMPANY
Address of the Registered office and contact details	17/5/1, 521/1, VILLAGE RAKHOLI/SAILY, SILVASSA, UNION TERRITORY OF DADRA & NAGAR HAVELI
Whether listed company	YES
Name, Address and Contact details of Registrar and Transfer Agent, if any	LINK INTIME INDIA PRIVATE LIMITED C-13, PANNALAL SILK MILLS COMPOUND, L B S MARG, BHANDUP WEST

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are stated below:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing of Textile, leather and other apparel products	260	100

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	Alok Infrastructure Limited	U45201MH2006PLC164267	Subsidiary	98.8	2(87)
2.	Alok Singapore Pte Limited	Incorporated in Singapore	Subsidiary	100	2(87)
3.	Alok International Inc	Incorporated in India	Subsidiary	100	2(87)
4.	Alok Worldwide Limited		Subsidiary	100	2(87)
5.	Alok International (Middle East) FZE	Incorporated in Dubai	Subsidiary	100	2(87)
6.	Alok Global Singapore Pte Ltd	Incorporated in Singapore	Subsidiary	100	2(87)
7.	Alok Merchant Singapore Pte Ltd	Incorporated in Singapore	Subsidiary	100	2(87)
8.	Alok Trading Singapore Pte Ltd	Incorporated in Singapore	Subsidiary	100	2(87)
9.	Alok Universal Singapore Pte Ltd	Incorporated in Singapore	Subsidiary	100	2(87)
10.	Alok Global Trading (Middle East) FZE	Incorporated in Dubai	Subsidiary	100	2(87)
11.	New City of Bombay Manufacturing Mills Limited	U17291MH2007GOI195493	Joint Venture	49	2(6)
12.	Aurangabad Textiles and Apparel Parks Limited	U17121MH2007GOI195403	Joint Venture	49	2(6)
13.	Ashford Infotech Private Limited	U45204MH2007PTC172817	Associate	50%	2(6)
14.	Alspun Infrastructure Limited	U45200MH2007PLC169738	Associate	50%	2(6)

4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 31.03.2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	110,048,897	-	110,048,897	7.99	110,048,897	-	110,048,897	7.99	0
b) CentralGovt	-	-	-	0	-	-	-	0	0

ANNEXURE-A

(A) CONSERVATION OF ENERGY:

In line with the company's commitment towards conservation of energy, all units continue with their endeavor to make more efficient use of energy through improved operational and maintenance practices. The measures taken in this direction at the units are as under:

1. Rain water harvesting for bore wells;
2. Installation of additional capacitors for further improvement in power;
3. Installation of Voltage Stabilizer in lighting circuit to reduce in power consumption;
4. Installation of LED Tubelights in Head office and plants;
5. Regular checking and repairing of water leakages for reduction in energy consumption;
6. Energy audits are being conducted periodically;
7. Load on air-conditioning plant reduced by introducing special methods;
8. Increase in temperature of feed water for saving on coal consumption in boilers;
9. Replaced inefficient motors with energy efficient motors;
10. Caustic handling system has been installed on process machines;
11. Employees have been trained in energy conservation measures;
12. Shades were covered by installing Natural ventilation equipment;
13. Heat recovery from CRP hot water to boiler feed;
14. Made use of waste water generated by cooling coil moisture;
15. Trimming of impellers to save on power consumption in chilled water pumps

(B) TECHNOLOGY ABSORBITION

1. Special measures taken to reduce the load on air-conditioning plant.
2. Applying appropriate voltage to lighting circuits.
3. Natural ventilation equipment installed on the shades to conserve energy.
4. Optimum choice of power factor improvement capacitors for improvement in power factor.
5. Replacement of fixed speed compressors with Variable speed compressors.
6. Use of inherent fire retardant fibres for making inherent Fabrics.
7. Caustic handling system on process machines installed.
8. Reduction of maximum demand by even distribution of daily load and through increased efficiency of plants..

(C) IMPACT OF THE MEASURES AT (A) AND (B) FOR REDUCTION OF ENERGY CONSUMPTION AND CONSEQUENT IMPACT ON THE COST OF PRODUCTION:

The energy conservation measures undertaken have resulted in reduction in energy consumption and losses and improving the overall production performance

(D) RESEARCH AND DEVELOPMENT (R & D)

The Company has well established R & D facilities for carrying out research in areas of technical textiles and polyester yarn. The company incurred following expenditure on R & D during the period.

(₹ Crore)

Plant Location	Capital	Recurring	Total
Silvassa	2.18	8.06	10.24

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27. General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to the employees of the Company under any scheme.
4. No fraud has been reported by the Auditors to the Audit Committee or the Board.
5. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.

Disclosures under the Companies Act 2013 and Listing Regulations

- (1) Composition of Audit Committee has been disclosed in the Corporate Governance Report annexed to this report
- (2) Policy on Sexual Harassment of Women at Workplace.

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

- (3) Familiarisation Programme for Independent Directors:

In compliance with the requirements of SEBI Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights

and responsibility as Directors, the working of the Company, nature of the industry in which the company operates, business model etc. The details of the familiarization programme are explained in the Corporate Governance Report. The same is also available on the website of the Company www.alokind.com.

- (4) Particulars of Loans / Guarantees and Investments and Securities provided by the Company

Details of Loans, Guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013 are given in the Financial Statements.

28. Acknowledgements

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to provide higher levels of consumer delight through continuous improvement in existing products and introduction of new products.

The Board places on record its appreciation for the support and co-operation, your Company has been receiving from its suppliers, redistribution stockiest, retailers, business partners and others associated with the Company as its trading partners. It will be the Company's endeavour to build and nurture strong links with the trade based on mutuality of benefits, respect for and cooperation with each other, consistent with consumer interests.

The Directors also take this opportunity to thank all Investors, Clients, Vendors, Banks, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

For and on behalf of the Board

Dilip D. Jiwrajka
Managing Director

Surendra B. Jiwrajka
Joint Managing Director

Place: Mumbai

Dated: 30th May, 2016

shareholders may also reach out to the Company/RTA by sending a request letter alongwith a self attested PAN copy. The request can also be made online on the website of the Company (www.alokind.com), post which the RTA would contact the concerned shareholder for the requisite documentation.

This initiative will ease the burden on corporates (and the environment) of sending physical documents such as notices, annual reports etc. Those who have not provided their email address will continue to receive communications, dissemination, notice(s), documents etc. via permitted mode of service of documents. Further the shareholders, who request for physical copies, will be provided the same at no additional cost to them.

The Company is providing e-voting facility for all Members to enable them to cast their votes electronically on all resolutions set forth in the 29th AGM Notice. This is pursuant, inter alia, to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014. The detailed instructions for e-voting are provided in the AGM Notice which is being sent separately as per prescribed mode of dispatch.

Results of Operations and the State of Company's Affairs:

No material changes and commitments have occurred after the close of the financial year till the date of this Report, which affect the financial position of the Company.

Employee Stock Option Plans

Details of the shares issued under Employee Stock Option Plan (ESOP), as also the disclosures in compliance with Section 62 of Companies Act, 2013 and Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and SEBI (Share Based Employee Benefits) Regulations, 2014 are set out in the Annexure D to this Report. No employee has been issued share options during the year.

The excess of market value, if any, of the stock options as on the date of grant over the exercise price of the options is recognized as deferred employee compensation and is charged to the profit and loss account on vesting basis over the vesting period of the options. The un-amortized portion of the deferred employee compensation is reduced from Employee Stock Option Outstanding, which is shown under Reserves and Surplus.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

The information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2016 are annexed hereto as Annexure-A.

25. Management's Opinion on the Emphasis of matters / notes given by the Auditors:

a. The Emphasis of Matters highlighted by the Statutory Auditors in their Report on the Standalone Financial Statements are self-explanatory and call for no comments from the management. In their Report on the Consolidated Financial Statements, the Statutory Auditors have stated that the basis for their qualified opinion is that the consolidated financial statements include the unaudited financial statements of nine subsidiaries and one jointly controlled entity. The management is of the opinion that this situation was unavoidable and in any event the audited financial statements of these entities are not going to be in any manner different from the unaudited versions.

b. Non Repayment of interest /principal amount to Debenture Holders for more than 1 year:

The Company is yet to pay the debenture interest payment due for a period beyond one year as at the Balance sheet date. This attracts the provisions of Section 164 (2) of the Companies Act, 2013 as per which all directors retiring by rotation at the ensuing Annual General Meeting and eligible for reappointment render themselves ineligible for such reappointment. Further, Section 167 of the said Act appears ambiguous regarding the vacation of the Board, if and when such a contravention continues. The Company is informed that the Company Law Committee appointed by the Government of India has already recommended appropriate amendments to Section 167 to remove the apparent ambiguity. The Company is further informed that the recommendation has been incorporated in the Companies (Amendment) Bill, 2016 which has been introduced in the Lok Sabha for discussion and is pending for confirmation.

c. Appointment of a Woman Director and Independent Directors on Board of the Company:

Your Company is constantly searching for a competent Woman Director and Independent Directors in order to strengthen the Board in line with the provisions of the Companies Act, 2013 and Listing Obligation and Disclosure Requirements, Rules 2015. It has been challenging to attract people on the Board in view of the fact that the performance of the Company during the period was sub-optimal. The Management is however confident of appointing a Woman Director and Independent Directors in the coming year.

26. Erosion of Net Worth

With accumulated losses of Rs. 3,722.80 crores at the end of the financial year, resulting in erosion of over 50% of peak net worth during the immediately preceding four financial years, we regret to inform that your Company has become a "Potential Sick Company" within the meaning of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA).

The Board at its meeting held on 30th May 2016 has reviewed the causes for such erosion and the prime reason amongst others which adversely affected the performance of the Company was the difficult economic conditions resulting in delays in realization of debtors, pile-up of inventory, rising interest costs and bunching of repayments leading to a tight liquidity position. This was compounded by lack of additional working capital facilities which resulted in lower capacity utilization and lower cash flow generation.

The Board after considering the various steps implemented and/or to be undertaken for improvement of performance of the Company is confident/optimistic that the Company would be able to implement effective measures in normal course of business to revive the operations of the Company. Accordingly, the financial statements for the Financial Year 2015-16 has been prepared on a going concern basis.

In terms of the requirement of SICA, the Company shall also make a reference to the Board for Industrial and Financial Reconstruction (BIFR) the fact of erosion within the stipulated time period.