

# 35th ANNUAL REPORT

## 2021-22



# Contents

## CORPORATE OVERVIEW

Board of Directors and Corporate Information	01
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## STATUTORY REPORTS

Directors' Report	02
Management Discussion and Analysis	18
Corporate Governance Report	40
Business Responsibility Report	66

## FINANCIAL STATEMENTS

### Standalone

Independent Auditors' Report on Standalone Financial Statements	73
Balance sheet	84
Statement of Profit and Loss Account	85
Statement of Change in Equity	86
Cash flow statement	87
Notes to the Standalone Financial Statements	89

### Consolidated

Independent Auditors' Report on Consolidated Financial Statements	143
Consolidated Balance Sheet	152
Consolidated Statement of Profit and Loss Account	153
Consolidated Statement of Change in Equity	154
Consolidated Cash Flow statement	155
Notes to Consolidated Financial Statements	157

Notice	212
Map to the Meeting Venue	222

## ANNUAL GENERAL MEETING

### DATE

Tuesday, 26th July, 2022

### TIME

12:30 p.m.

### VENUE

Alok Public School, Alok City,  
Silvassa-Khanvel Road, Silvassa – 396230,  
Union Territory of Dadra and Nagar Haveli

# BOARD OF DIRECTORS AND CORPORATE INFORMATION

## Board of Directors

A. Siddharth  
(Independent Director and Chairman of the Board)

Mumtaz Bandukwala  
(Independent Director)

Rahul Dutt  
(Independent Director)

Hemant Desai  
(Nominee Director (Non-Executive) representing Reliance Industries Limited)

Anil Kumar Rajbanshi  
(Nominee Director (Non-Executive) representing Reliance Industries Limited)

V. Ramachandran  
(Nominee Director (Non-Executive) representing Reliance Industries Limited)

Nirav Parekh  
(Nominee Director (Non-Executive) representing JM Financial Asset Reconstruction Company Limited)

## Bankers

State Bank of India  
ICICI Bank Limited  
HDFC Bank Limited

## Manager

Sunil O. Khandelwal

## Chief Financial Officer

Bijay Agrawal

## Company Secretary

Hitesh Kanani

## Statutory Auditors

S R B C & CO LLP  
Chartered Accountants

## Secretarial Auditors

Virendra G. Bhatt  
Practicing Company Secretary

## Legal Advisors

INDUSLAW

## Cost Auditors

B.J.D. Nanabhoy & Co.  
Cost Accountants

## Internal Auditors

Bhandarkar & Co.  
Chartered Accountants

## Listing & Code

BSE Limited (521070)

National Stock Exchange of India  
Limited (ALOKINDS)

## Registered Office

17/5/1, 521/1, Village Rakholi/ Saily,  
Silvassa-396 230,  
Union Territory of Dadra and Nagar Haveli.  
Tel No.: 0260-6637000  
Fax No.: 0260-2645289  
Website: www.alokind.com  
Email: investor.relations@alokind.com

## Corporate Office

Tower B, 2nd & 3rd Floor,  
Peninsula Business Park,  
Ganpatrao Kadam Marg, Lower Parel,  
Mumbai-400 013,  
Maharashtra, India.  
Tel: +91 22 61787000

## Registrar & Share Transfer Agent

Link Intime India Private Limited  
C 101, 247 Park, LBS Marg,  
Vikhroli (West),  
Mumbai - 400083, India.  
Tel: +91 022 49186000  
Fax: +91 022 49186060  
Email: rnt.helpdesk@linkintime.co.in

## Corporate Identity Number

L17110DN1986PLC000334

## ISIN for Equity Shares

INE270A01029

# DIRECTORS' REPORT

To the Members,

The Board of Directors present this 35th Annual Report of the Company, along with the financial statements for the Financial Year ended 31st March, 2022 in compliance with the provisions of the Companies Act, 2013, the rules and regulations framed thereunder ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("Listing Regulations").

## 1. FINANCIAL RESULTS:

The Company's performance (Standalone and Consolidated) for the Financial Year ended 31st March, 2022 is summarized below:

(₹ in crore)

Particulars	Standalone		Consolidated	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Revenue from operations	7,150.91	3,735.31	7,309.50	3,847.59
Operating Profit / (Loss) before Interest, Depreciation and Taxes	611.61	(432.63)	609.92	223.25
Minority Interest and Share in Profit of Associates	-	-	(0.98)	(1.04)
Profit / (Loss) before exceptional items and taxes	(184.18)	(1,190.78)	(209.42)	(562.18)
Exception Item	-	(3,241.10)	-	(3,892.05)
Profit / (Loss) before Tax (after exceptional items)	(184.18)	(4,431.88)	(209.42)	(4,454.23)
Tax Expenses (including Deferred Tax)	-	1,423.11	(0.82)	1,219.09
Profit / (Loss) after Tax	(184.18)	(5,854.99)	(208.60)	(5,673.32)
Other Comprehensive Income	(0.50)	2.85	(41.95)	49.04
<b>Total Comprehensive Income</b>	<b>(184.68)</b>	<b>(5,852.14)</b>	<b>(250.55)</b>	<b>(5,624.28)</b>

## 2. TRANSFER TO RESERVES:

No amount has been transferred to Reserves for the Financial Year under review.

## 3. DIVIDEND:

On account of the Loss After Tax reported by the Company during the Financial Year 2021-22, the Board of Directors do not recommend any dividend (previous year Nil).

The Dividend Distribution Policy of the Company approved by the Board of Directors of the Company is in line with the requirements of Listing Regulations. The Policy is available on the Company's website and can be accessed through the link: [https://www.alokind.com/Downloads/Alok-Dividend\\_Distribution\\_Policy-18.01.2020.pdf](https://www.alokind.com/Downloads/Alok-Dividend_Distribution_Policy-18.01.2020.pdf).

## 4. RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS:

### (a) The Highlights of the Company's Performance (Standalone) for the Financial Year Ended 31st March, 2022 are as under:

Total sales of the Company increased by 91.44% to ₹7,150.91 crore from ₹3,735.31 crore in the previous year.

Domestic sales increased by 96.22% to ₹5,451.37 crore from ₹2,778.11 crore in the previous year.

Export sales increased by 77.55% to ₹1,699.54 crore from ₹957.20 crore in previous year.

Operating EBITDA (before exceptional items) was positive at ₹611.61 crore as compared to negative EBITDA (before exceptional items) of ₹432.63 crore in the previous year.

Operating Profit Before Tax (PBT) (before exceptional items) was negative at ₹184.18 crore as compared to negative PBT (before exceptional items) of ₹1,190.78 crore in the previous year.

The reported Loss After Tax (after exceptional item) for the year was ₹184.18 crore as compared to Loss After Tax (after exceptional item) of ₹5,854.99 crore.

### (b) The Highlights of the Company's Performance (Consolidated) for the Financial Year Ended 31st March, 2022 are as under:

The Company achieved a consolidated revenue of ₹7,309.50 crore higher by 89.98% as compared to consolidated revenue of ₹3,847.59 crore in the previous year.

Operating EBITDA (before exceptional items) was ₹609.92 crore as compared to EBITDA (before exceptional items) of ₹223.25 crore in the previous year.

Operating Profit Before Tax (PBT) (before exceptional items) was negative at ₹209.42 crore as compared to negative PBT (before exceptional items) of ₹562.18 crore in the previous year.

The reported consolidated Loss After Tax (after exceptional item) for the year was ₹208.60 crore as compared to Loss After Tax (after exceptional item) of ₹5,673.32 crore in the previous year.

A detailed analysis of financial results is given in the Management Discussion and Analysis Report, which forms part of this Annual Report.

## 5. CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with the provisions of the Act and Listing Regulations read with relevant Accounting Standards issued by the Institute of Chartered Accountants of India, the consolidated financial statements forms part of this Annual Report. The audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries are available on Company's website and can be accessed through the link: <https://www.alokind.com/shareholder.html>. These documents are also available for inspection by the Members at the Registered Office of the Company during business hours on all working days, except Saturdays, Sundays and National Holidays up to the date of the 35th AGM of the Company.

## 6. EROSION OF NETWORTH:

Net worth as at 31st March, 2022 was negative at ₹16,450.05 crore. Accumulated losses have resulted in the erosion of over 53.90% of peak net worth of negative ₹10,688.68 crore during the immediately preceding four Financial Years.

## 7. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security provided is proposed to be utilised by the recipient are provided in the standalone financial statements (Refer Note 17 and 19 to the standalone financial statements).

## 8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The details pertaining to overview of the industry, important changes in the industry, external environment and outlook along with other information as required are given in the Management Discussion and Analysis Report, which forms part of this Annual Report.

## 9. CREDIT RATING:

The details of credit ratings are disclosed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

## 10. SHARE CAPITAL:

The paid-up Share Capital of the Company as on 31st March, 2022 was ₹746.52 crore consisting of 496.52 crore Equity Shares of ₹1/- each and 250.00 crore fully paid-up 9% Optionally Convertible Preference Shares of ₹1/- each.

As a part of the Resolution Plan approved by the National Company Law Tribunal, Ahmedabad Bench, the Company had on 28th February, 2020, allotted on preferential basis to Reliance Industries Limited ("RIL"), 250,00,00,000 - 9% Optionally Convertible Preference Shares ("OCPS") of ₹1 each for cash at par, for a total consideration of ₹250 crore.

During the year, the OCPS were due for conversion at the option of RIL. Since RIL did not exercise its option to convert OCPS into equity shares, as per the terms and conditions of the OCPS, the Company will redeem the same on 27th February, 2030, i.e. the last day of the 10th anniversary of the date of allotment, by paying an amount at least equal to the outstanding OCPS subscription amount and there shall be no impact on Equity Share Capital of the Company.

## 11. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

During the year under review, no Company became / ceased to be a subsidiary, joint venture or associate of the Company. Details of subsidiary, associate and joint venture of the Company as on 31st March, 2022, are as follows:

Sr. No.	Subsidiaries
1.	Alok Infrastructure Limited
2.	Alok International Inc.
3.	Alok International (Middle East) FZE
4.	Alok Global Trading (Middle East) FZE (business license cancelled on 12th September, 2017)
5.	Alok Singapore PTE Limited
6.	Alok Worldwide Limited
Sr. No.	Step-down subsidiaries
1.	Alok Industries International Limited
2.	Grabal Alok International Limited
3.	Grabal Alok (UK) Limited (under liquidation effective 10th July, 2017)
4.	Mileta, a.s.
5.	Kesham Developers & Infotech Private Limited (Under a voluntary winding up process effective 20th February, 2012)
6.	Springdale Information & Technologies Private Limited (Under a voluntary winding up process effective 20th February, 2012)

Sr. No.	Joint Ventures
1.	New City of Bombay Manufacturing Mills Limited
2.	Aurangabad Textiles and Apparel Parks Limited
3.	Triumphant Victory Holdings Limited

Sr. No.	Associates
NIL	

None of the above subsidiaries are 'Material Subsidiary' as defined in the Listing Regulations. As required under Regulations 16(1)(c) of the Listing Regulations, the Board of Directors has approved the Policy for determining Material Subsidiaries ("Policy"). The details of the Policy are available on the Company's website and can be accessed through the link: [https://www.alokind.com/Investor\\_Relations-pdf/Policies/Material\\_Subsubsidiaries.pdf](https://www.alokind.com/Investor_Relations-pdf/Policies/Material_Subsubsidiaries.pdf).

The audited financial statements including the consolidated financial statements of the Company and all other documents required to be attached thereto are available on the Company's website and can be accessed through the link: <https://www.alokind.com/annualreport.html>. The financial statements of the subsidiaries, as required, are available on the Company's website and can be accessed through the link: <https://www.alokind.com/financialresult.html>.

The development in business operations/performance of the Subsidiaries/ Joint Ventures / Associate Companies, forms part of the Management Discussion and Analysis Report which forms part of this Annual Report.

A statement providing details of performance and salient features of the financial statements of Subsidiary / Associate / Joint Venture companies, as per Section 129(3) of the Act, is attached to the consolidated financial statements and therefore not repeated in this Directors' Report to avoid duplication.

## 12. CORPORATE SOCIAL RESPONSIBILITY ("CSR") INITIATIVES:

The Corporate Social Responsibility and Governance ("CSR&G") Committee as on 31st March, 2022 comprises of Ms. Mumtaz Bandukwala (Chairperson of the Committee), Mr. Rahul Dutt and Mr. V. Ramachandran. As on 31st March, 2022, the composition of the CSR&G Committee conforms to the requirements of Section 135 of the Act.

The CSR Policy of the Company *inter alia* includes CSR activities to be undertaken by the Company in line with Schedule VII of the Act. The Policy on CSR as approved by the Board of Directors in accordance with the requirements of the Act is available on the Company's website and can be accessed through the link: [https://www.alokind.com/Investor\\_Relations-pdf/Policies/CSR\\_Policy.pdf](https://www.alokind.com/Investor_Relations-pdf/Policies/CSR_Policy.pdf) and is also annexed herewith and marked as

## Annexure-1.

Pursuant to Section 135 of the Act read with CSR Policy of the Company, the Company is required to spend two percent of the average net profit of the Company for three immediately preceding financial years. As the average net profit of the Company during previous three financial years was negative, the Company was not required to spend any amount for the CSR purpose during the year under review.

Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, is annexed herewith and marked as **Annexure-2**.

## 13. BUSINESS RISK MANAGEMENT:

The Company, like any other enterprise, is exposed to business risk which can be internal risks as well as external risks. Any unexpected changes in regulatory framework pertaining to fiscal benefits and other related issues can affect our operations and profitability.

A key factor in determining a Company's capacity to create sustainable value is the ability and willingness of the Company to take risks and manage them effectively and efficiently. However, the Company is well aware of the above risks and as part of business strategy has put in a mechanism to ensure that they are mitigated with timely action.

The Company has an elaborate Risk Management Framework, which is designed to enable risks to be identified, assessed and mitigated appropriately. The Board of Directors of the Company has constituted Risk Management Committee which has, *inter-alia*, been entrusted with the responsibility of overseeing implementation/ monitoring of Risk Management Plan and Policy; and continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.

The current constitution and role of the Risk Management Committee is in compliance with the requirements of Regulation 21 of the Listing Regulations. Pursuant to the provisions of the Act and Listing Regulations, the Company has adopted Risk Management Policy. The details of the Risk Management Policy are available on the Company's website and can be accessed through the link: [https://www.alokind.com/Investor\\_Relations-pdf/Policies/Risk\\_Policy.pdf](https://www.alokind.com/Investor_Relations-pdf/Policies/Risk_Policy.pdf)

Further details on the Risk Management activities including the implementation of Risk Management Policy, key risks identified, and their mitigations are covered in Management Discussion and Analysis section, which forms part of this Annual Report. In the opinion of the Board of Directors, none of these risks affect and/or threaten the existence of the Company.

#### 14. VIGIL MECHANISM / WHISTLE – BLOWER POLICY:

Pursuant to the provisions of Section 177(9) of the Act, read with the Rules made thereunder, the Company has adopted a Whistle-Blower Policy for Directors and Employees to report genuine concerns and to provide adequate safeguards against victimization of persons who may use such mechanism.

The functioning process of this mechanism has been more elaborately mentioned in the Corporate Governance Report which forms part of this Annual Report. The said Policy is available on Company's website and can be accessed through the link: [https://www.alokind.com/Investor\\_Relations-pdf/Policies/Whistle\\_Blower\\_Policy.pdf](https://www.alokind.com/Investor_Relations-pdf/Policies/Whistle_Blower_Policy.pdf)

#### 15. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

##### i. Directors:

##### (a) Changes in the Directors during the year under review:

Pursuant to the Resolution Plan approved by the National Company Law Tribunal, Ahmedabad Bench, JM Financial Asset Reconstruction Company Limited (acting in its capacity as trustee of JMFARC – March 2018 – Trust) ("JMFARC"), one of the resolution applicants and a Member holding 173,73,11,844 (34.99%) Equity Shares of the Company had nominated Mr. Samir Chawla (DIN: 03499851) as its nominee on the Board of the Company. Accordingly, Mr. Samir Chawla was appointed as a Nominee Director (Non-Executive) representing JMFARC with effect from 14th September, 2020.

JMFARC vide letter dated 28th January, 2022, had withdrawn the nomination of Mr. Samir Chawla from the Board of the Company with effect from the said date on account of his resignation from the services of JMFARC and nominated Mr. Nirav Parekh (DIN: 09505075) as its nominee on the Board of the Company.

Accordingly, the Board of Directors of the Company at its meeting held on 3rd March, 2022, based on the recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Section 161(1) of the Act read with the Articles of Association of the Company, had approved the appointment of Mr. Nirav Parekh as Nominee Director (Non-Executive) representing JMFARC, with effect from 3rd March, 2022. Further, the said appointment was approved by the Members of the Company by way of Postal Ballot on 6th April, 2022.

##### (b) Composition:

The current composition of the Board is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the Listing Regulations. As on 31st March, 2022, the composition of the Board is as follows:

Sr. No.	Name of the Director	Designation
1.	Mr. A. Siddharth (DIN:00016278 )	Non- Executive, Independent Director and Chairman of the Board
2.	Ms. Mumtaz Bandukwala (DIN:07129301)	Non- Executive, Independent Director
3.	Mr. Rahul Dutt (DIN:08872616)	Non- Executive, Independent Director
4.	Mr. Hemant Desai (DIN: 00008531)	Nominee Director (Non- Executive) representing RIL
5.	Mr. Anil Kumar Rajbanshi (DIN:03370674)	Nominee Director (Non- Executive) representing RIL
6.	Mr. V. Ramachandran (DIN:02032853)	Nominee Director (Non- Executive) representing RIL
7.	Mr. Nirav Parekh (DIN:09505075)	Nominee Director (Non- Executive) representing JMFARC

##### (c) Retirement by Rotation:

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Anil Kumar Rajbanshi (DIN: 03370674), retires by rotation as a Director at the AGM and being eligible, offers himself for reappointment.

A detailed profile of Mr. Anil Kumar Rajbanshi along with additional information required under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings is provided separately by way of an Annexure to the Notice of the AGM which forms part of this Annual Report.

##### ii. Key Managerial Personnel:

As on 31st March, 2022, following are the Key Managerial Personnel of the Company:

- Mr. Sunil O. Khandelwal - Manager
- Mr. Bijay Agrawal - Chief Financial Officer
- Mr. Hitesh Kanani - Company Secretary and Compliance Officer.

There were no changes in the Key Managerial Personnel during the year.



## 16. NUMBER OF MEETINGS OF THE BOARD:

During the Financial Year ended on 31st March, 2022, 6 (Six) Board meetings were held. Further details of the meetings of the Board and its Committees are given in the Corporate Governance Report, forming part of this Annual Report.

The maximum time gap between any two Board Meetings was not more than 120 days as required under Regulation 17 of the Listing Regulations, Section 173 of the Act and Secretarial Standard on Meetings of the Board of Directors.

## 17. BOARD EVALUATION:

The Company has a Policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which include criteria for performance evaluation of Non-Executive Directors and Executive Directors.

Pursuant to the Policy, the Board has carried out an annual evaluation of its own performance, performance of the individual Directors including Independent Directors. Further, the Committees of the Board had carried out self-evaluation of its performance and the outcome was submitted to the Chairman of the Nomination and Remuneration Committee for his review.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors were carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

The Board's functioning was evaluated on various aspects, including *inter alia* degree of fulfilment of key responsibilities, Board structure, composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Directors were evaluated on aspects such as attendance and contribution at Board/Committee Meetings and guidance/support to the management outside Board/Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active participation by all Board Members.

Areas on which the Committees of the Board were assessed included degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

In addition, Independent Directors were evaluated based on parameters such as qualification, experience, knowledge and competency, fulfilment of functions, ability to function as a team, initiative, commitment, independence, independent views and judgement, availability, attendance and participation in the

discussion at the Meetings, adherence to the Code of Conduct of the Company as well as the Code for Independent Directors as applicable, understanding the environment in which the Company operates and contribution to strategic decision and raising valid concerns to the Board, interpersonal relations with other Directors and Management, objective evaluation of Board's performance, rendering independent unbiased opinion, safeguarding of confidential information and maintaining integrity.

The details of the Policy on evaluation of Board's performance are available on the Company's website and can be accessed through the link: [https://www.alokind.com/Investor\\_Relations-pdf/Policies/Policy\\_on\\_Appointment\\_&\\_Evaluation\\_of\\_Directors\\_KMPs\\_&\\_SM.pdf](https://www.alokind.com/Investor_Relations-pdf/Policies/Policy_on_Appointment_&_Evaluation_of_Directors_KMPs_&_SM.pdf).

The terms and conditions of appointment of Independent Directors are also available on the Company's website and can be accessed through the link: [https://www.alokind.com/Investor\\_Relations-pdf/Policies/Terms\\_and\\_Conditions\\_of\\_Appointment\\_of\\_the\\_Independent\\_Directors.pdf](https://www.alokind.com/Investor_Relations-pdf/Policies/Terms_and_Conditions_of_Appointment_of_the_Independent_Directors.pdf).

In the opinion of the Board, the Independent Directors of the Company possess the requisite qualifications, experience (including proficiency), expertise and hold highest standards of integrity.

## 18. BOARD COMMITTEES:

The composition of various Committees of the Board is in accordance with the requirements of applicable provisions of Act and Listing Regulations. As on 31st March, 2022, the composition of various Committees of the Board is as follows:

### A. Audit Committee:

1. Mr. A. Siddharth, Chairman of the Committee
2. Ms. Mumtaz Bandukwala
3. Mr. Rahul Dutt
4. Mr. V. Ramachandran

During the year under review, Ms. Mumtaz Bandukwala, an Independent Director, was appointed as a member of the Committee on 26th August, 2021.

During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

### B. Nomination and Remuneration Committee:

1. Mr. Rahul Dutt, Chairman of the Committee
2. Mr. A. Siddharth
3. Mr. Hemant Desai



#### C. Stakeholders' Relationship Committee:

1. Mr. A. Siddharth, Chairman of the Committee
2. Ms. Mumtaz Bandukwala
3. Mr. Anil Kumar Rajbanshi
4. Mr. V. Ramachandran

#### D. Corporate Social Responsibility and Governance ("CSR&G") Committee:

1. Ms. Mumtaz Bandukwala, Chairperson of the Committee
2. Mr. Rahul Dutt
3. Mr. V. Ramachandran

#### E. Risk Management Committee:

1. Ms. Mumtaz Bandukwala, Chairperson of the Committee
2. Mr. Anil Kumar Rajbanshi
3. Mr. V. Ramachandran

Note: The Risk management Committee was reconstituted on 14th April, 2022.

#### F. Managing Committee: [Voluntary Committee]

1. Mr. V. Ramachandran - Non-Executive
2. Mr. Sunil O. Khandelwal - Manager
3. Mr. Bijay Agrawal - Chief Financial Officer
4. Mr. K. H. Gopal - President - (Corporate Affairs & Legal)

#### 19. DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors of the Company confirming that:

- a) they meet the criteria of independence prescribed under the Act and the Listing Regulations;
- b) they are in compliance of Code of Conduct; and
- c) they have registered their names in the Independent Directors' Databank.

#### 20. DIRECTORS APPOINTMENT AND REMUNERATION POLICY:

The Board on the recommendation of the Nomination and Remuneration Committee has framed a Policy for selection and appointment of Directors & Senior Management and their remuneration. The Policy of the Company on Directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Directors and other matters

provided under Section 178(3) of the Act and Regulation 19 of the Listing Regulations is available on the Company's website and can be accessed through the link: [https://www.alokind.com/Investor\\_Relations-pdf/Policies/Remuneration\\_Policy.pdf](https://www.alokind.com/Investor_Relations-pdf/Policies/Remuneration_Policy.pdf) and is also annexed herewith and marked as **Annexure-3**.

#### 21. DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors make the following statements in terms of Section 134(3)(c) of the Act that:

- (i) in the preparation of the annual accounts for the year ended 31st March, 2022, the applicable accounting standards read with requirements set out under Schedule III to the Act have been followed and there are no material departures from the same;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2022 and of the losses of the Company for the year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on a going concern basis;
- (v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

#### 22. RELATED PARTY TRANSACTIONS:

All contracts / arrangements / transactions entered by the Company during the Financial Year with related parties were in its ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the Policy of the Company on materiality of related party transactions or which is required to be reported in Form No. AOC-2 in terms of the provisions of Section 134(3) (h), Section 188 and other applicable provisions, if any, of the Act read with the Rules made thereunder.

The Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board is available on the Company's website and can be accessed through the link: [https://www.alokind.com/Investor\\_Relations-pdf/Policies/Policy\\_on\\_Materiality\\_of\\_RPT.pdf](https://www.alokind.com/Investor_Relations-pdf/Policies/Policy_on_Materiality_of_RPT.pdf).

There were no materially significant related party transactions which could have potential conflict with the interests of the Company at large. Members may refer to Note 40 to the standalone financial statements which sets out related party disclosures pursuant to Ind AS.

## 23. INTERNAL FINANCIAL CONTROLS:

The Company has an internal financial control system commensurate with the size and scale of its operations and the same has been operating effectively. The Internal Auditor evaluates the efficacy and adequacy of internal control system, accounting procedures and policies adopted by the Company for efficient conduct of its business, adherence to Company's policies, safeguarding of Company's assets, prevention and detection of frauds and errors and timely preparation of reliable financial information etc. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon were presented to the Audit Committee of the Board.

## 24. AUDITORS:

### (a) Statutory Auditors:

M/s. S R B C & CO LLP (ICAI Reg. No. 324982E/E300003) were appointed as the Statutory Auditor of the Company for a term of 5 (five) consecutive years, at the 33rd AGM, held on 29th December, 2020. The Company has received confirmation from them to the effect that they are not disqualified from continuing as Auditors of the Company.

The Notes on financial statement referred to in the Statutory Auditors' Report are self-explanatory and do not call for any further comments. The Statutory Auditors' Report on the standalone and consolidated financial statements of the Company for the Financial Year ended 31st March, 2022, forms part of this Annual Report and does not contain any qualification, reservation or adverse remark.

### (b) Cost Auditors:

Pursuant to the provisions of Section 148 of the Act, read with the Rules made thereunder, the Company has appointed M/s. B.J.D. Nanabhoy & Co., Cost Accountants, Mumbai (Reg No. FRN-000011) to undertake the audit of the cost records of the

Company for the Financial Year ending 2022-23.

The remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for their ratification and the same forms part of the Notice convening the AGM.

In accordance with the provisions of Section 148(1) of the Act, read with the Rules made thereunder, the Company has maintained cost records.

### (c) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Act, read with the Rules made thereunder, and Regulation 24A of the Listing Regulations, the Company had appointed Mr. Virendra G Bhatt, Company Secretary in Practice, (Membership No.: A 1157; Certificate of Practice No.: 124) to undertake the Secretarial Audit of the Company for the Financial Year ended 2021-22. The Report given by the Secretarial Auditor is annexed herewith and marked as **Annexure-4**.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### (d) Internal Auditors:

Pursuant to the provisions of Section 138 of the Act, read with the Rules made thereunder, M/s. Bhandarkar & Co., Chartered Accountants and M/s. HPVS & Associates, Chartered Accountants were appointed as Internal Auditors of the Company for the Financial Year 2021-22 and had been entrusted with the internal audit of different plants/divisions of the Company. M/s. HPVS & Associates, one of the internal Auditors had resigned with effect from 30th November, 2021 due to their inability to schedule regular visit and depute staff in person to Company's plant locations due to Covid-19 pandemic. Consequent to the above casual vacancy, the Company has re-allocated the assignment held by M/s. HPVS & Associates to M/s. Bhandarkar & Co., by amending their scope of work for the remaining tenure of Financial Year 2021-22.

## 25. CORPORATE GOVERNANCE REPORT AND CERTIFICATE:

The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by the SEBI. In compliance with Regulation 34 read with Schedule V(C) of Listing Regulations, a report on Corporate Governance and the Certificate as required under Schedule V(E) of Listing Regulations received from the Secretarial Auditors of the Company forms part of this Annual Report.