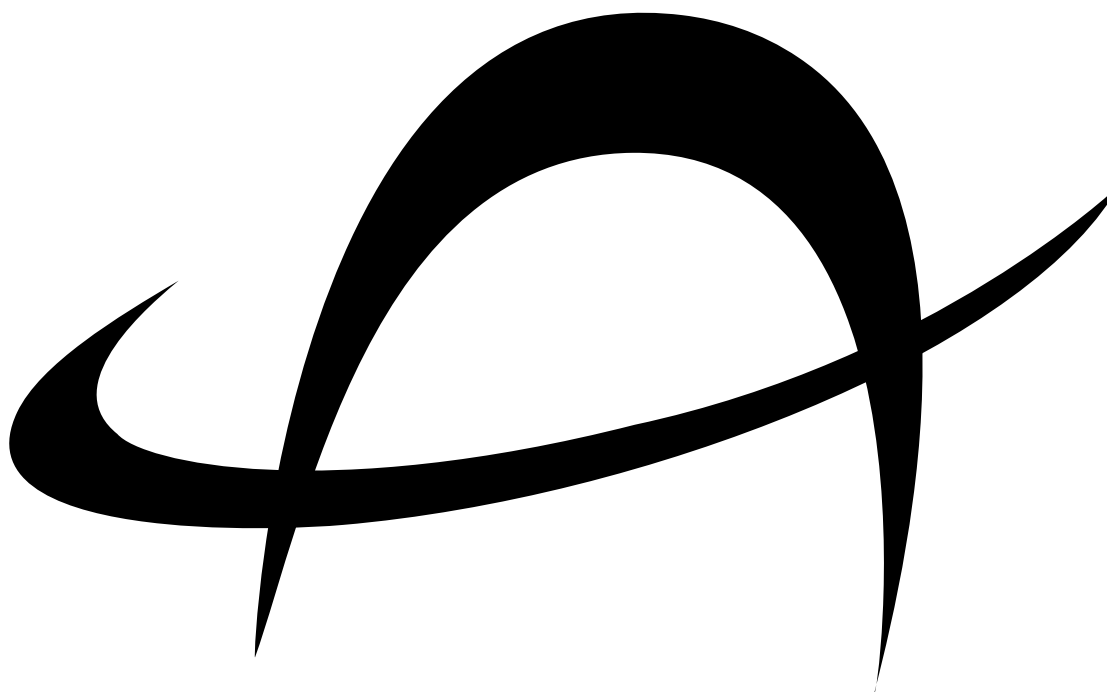


# 36th ANNUAL REPORT

## 2022-23



# Contents

## CORPORATE OVERVIEW

Board of Directors and Corporate Information	01
--	----

## STATUTORY REPORTS

Directors' Report	02
Management Discussion and Analysis	16
Corporate Governance Report	37

## FINANCIAL STATEMENTS

### Standalone

Independent Auditor's Report on Standalone Financial Statements	63
Balance sheet	74
Statement of Profit and Loss Account	75
Statement of Change in Equity	76
Cash flow statement	77
Notes to Standalone Financial Statements	79

### Consolidated

Independent Auditor's Report on Consolidated Financial Statements	135
Consolidated Balance Sheet	144
Consolidated Statement of Profit and Loss Account	145
Consolidated Statement of Change in Equity	146
Consolidated Cash Flow statement	147
Notes to Consolidated Financial Statements	149
Notice	207
Map to the Meeting Venue	226

## ANNUAL GENERAL MEETING

### DATE

22nd September, 2023

### TIME

12:30 p.m.

### VENUE

Victory Hall, Damanganga Valley (DGV) Resorts,  
Opp. Vandhara Garden,  
Naroli 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

## Chief Executive Officer

Ram Rakesh Gaur

*(w.e.f. 20th July, 2023)*

## Joint Chief Financial Officer

Vinod Sureka

*(w.e.f. 20th July, 2023)*

## Statutory Auditors

S R B C & CO LLP

Chartered Accountants

## Cost Auditors

B.J.D. Nanabhoy & Co.

Cost Accountants

## Manager

Sunil O. Khandelwal

*(upto 31st August, 2023)*

## Company Secretary

Hitesh Kanani

## Secretarial Auditors

Virendra G. Bhatt

Practicing Company Secretary

## Internal Auditors

Bhandarkar & Co.

Chartered Accountants

## Chief Financial Officer

Bijay Agrawal

## Legal Advisors

ALMT Legal

## Listing & Code

BSE Limited (521070)

National Stock Exchange of India Limited (ALOKINDS)

## 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](mailto:rnt.helpdesk@linkintime.co.in)

## Registered Office

17/5/1, 521/1, Village Rakholi/ Saily,

Silvassa-396 230,

Union Territory of Dadra and Nagar Haveli.

Tel No.: 0260-6637001

Website: [www.alokind.com](http://www.alokind.com)

Email: [investor.relations@alokind.com](mailto: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

## Corporate Identity Number

L17110DN1986PLC000334

## ISIN for Equity Shares

INE270A01029

# DIRECTORS' REPORT

To the Members,

The Board of Directors present this 36th Annual Report of the Company, along with the financial statements for the Financial Year ended 31st March, 2023, 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, 2023, is summarized below:

Particulars	(₹ in Crore)			
	Standalone		Consolidated	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Revenue from operations	6,748.32	7,150.91	6,937.29	7,309.50
Operating Profit / (Loss) before Interest, Depreciation and Taxes	(30.93)	611.61	(13.80)	610.90
Minority Interest and Share in Profit of Associates	-	-	(0.97)	(0.98)
Profit/(Loss) before Tax	(874.89)	(184.18)	(879.95)	(209.42)
Tax Expenses (including Deferred Tax)	-	-	0.51	(0.82)
Profit/(Loss) after Tax	(874.89)	(184.18)	(880.46)	(208.60)
Other Comprehensive Income	4.23	(0.50)	(112.66)	(41.95)
<b>Total Comprehensive Income</b>	<b>(870.66)</b>	<b>(184.68)</b>	<b>(993.12)</b>	<b>(250.55)</b>

## 2. TRANSFER TO RESERVES:

No amount is proposed to be transferred to Reserves.

## 3. DIVIDEND:

On account of the Loss After Tax reported by the Company during the Financial Year 2022-23, 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/Investor\\_Relations-pdf/Policies/Dividend\\_Distribution\\_Policy.pdf](https://www.alokind.com/Investor_Relations-pdf/Policies/Dividend_Distribution_Policy.pdf).

There has been no change in the policy during the year under review.

## 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, 2023, are as under:

Total sales of the Company decreased by 5.63% to ₹6,748.32 Crore from ₹7,150.91 Crore in the previous year.

Domestic sales increased by 3.36% to ₹5,634.73 Crore from ₹5,451.37 Crore in the previous year.

Export sales decreased by 34.48% to ₹1,113.59 Crore from ₹1,699.54 Crore in previous year.

Operating EBITDA was negative at ₹30.93 Crore as compared to positive EBITDA of ₹611.61 Crore in the previous year.

Operating Loss Before Tax was negative at ₹874.89 Crore as compared to Loss Before Tax of ₹184.18 Crore in the previous year.

The reported Loss After Tax for the year was ₹874.89 Crore as compared to Loss After Tax of ₹184.18 Crore.

### (b) The Highlights of the Company's Performance (Consolidated) for the Financial Year Ended 31st March, 2023, are as under:

The Company achieved a consolidated revenue of ₹6,937.29 Crore lower by 5.09% as compared to consolidated revenue of ₹7,309.50 Crore in the previous year.

Operating EBITDA was negative at ₹13.80 Crore as compared to positive EBITDA of ₹610.90 Crore in the previous year.

Operating Profit Before Tax (PBT) was negative at ₹880.46 Crore as compared to negative PBT of ₹208.44 Crore in the previous year.

The reported consolidated Loss After Tax for the year was ₹880.46 Crore as compared to Loss After Tax of ₹208.60 Crore in the previous year.

A detailed analysis of financial results and operations 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 form 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 the Company's website and can be accessed through the link: <https://www.alokind.com/financialresult.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 36th Annual General Meeting ('AGM') of the Company.

## 6. EROSION OF NETWORTH:

Net worth as at 31st March, 2023 was negative at ₹17,320.72 Crore. Accumulated losses have resulted in the erosion of over 62.05 % of peak negative net worth of ₹10,688.68 Crore during the immediately preceding four Financial Years.

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

During the year under review, the Company has not granted any loans, made any investments and provided any guarantee or security. The particulars of the loans granted, investments made and guarantee or security provided in the earlier years are given in the standalone financial statement (Refer Note 5 and 6 to the standalone financial statements).

## 8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review, as stipulated under the Listing Regulations, is presented in a separate section, which forms part of this Annual Report.

## 9. CREDIT RATING:

The details of credit ratings are disclosed in the Corporate Governance Report, which forms part of this Annual Report.

## 10. 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 except the following two companies which ceased to be the subsidiaries of the Company:

- Springdale Information & Technologies Private Limited was dissolved w.e.f. 20.02.2012 vide order dated 08.06.2022 of the Hon'ble High Court of Judicature at Bombay.
- Kesham Developers & Infotech Private Limited was dissolved w.e.f. 20.02.2012 vide order dated 14.09.2022 of the Hon'ble High Court of Judicature at Bombay.

List of subsidiary, associate and joint venture of the Company as on 31st March, 2023, 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.

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

Sr. No.	Associates
	Nil

None of the above subsidiaries is a '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\\_Subsiidiaries.pdf](https://www.alokind.com/Investor_Relations-pdf/Policies/Material_Subsiidiaries.pdf). There has been no change in the policy during the year under review.

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\\_financial\\_subsiidiaries.html](https://www.alokind.com/financialresult_financial_subsiidiaries.html).

The development in business operations/ performance of the Subsidiaries/ Joint Venture, is given in 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/ Joint Venture companies, as per Section 129(3) of the Act, is annexed to the consolidated financial statements and therefore not repeated in this Directors' Report.

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

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**. There has been no change in the policy during the year under review.

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 made during the three immediately preceding 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**.

## 12. 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). There has been no change in the Policy during the year under review.

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.

## 13. VIGIL MECHANISM AND 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).

## 14. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### i. Directors:

#### (a) Retirement by Rotation:

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. V. Ramachandran (DIN: 02032853), retires by rotation as a Director at the AGM and being eligible, offers himself for reappointment.

A detailed profile of Mr. V. Ramachandran 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.

The Nomination and Remuneration Committee and Board of Directors have recommended his reappointment for the approval of the shareholders.

**(b) 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 vide letter dated 28th January, 2022, nominated Mr. Nirav Parekh (DIN: 09505075) as its nominee on the Board of the Company in place of Mr. Samir Chawla, who ceased to be the Director with effect from the said date on account of his resignation from the services of JMFARC.

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.

**ii. Key Managerial Personnel:**

During the year under review, there was no change in the Key Managerial Personnel of the Company. However, subsequent to the closure of the financial year, the following changes took place in the Key Managerial Personnel of the Company:

Mr. Ram Rakesh Gaur and Mr. Vinod Sureka were appointed as Chief Executive Officer and Joint Chief Financial Officer of the Company respectively effective from 20th July, 2023. Mr. Sunil O. Khandelwal has resigned from the position of the Manager of the Company effective from the close of business hours of 31st August, 2023.

**15. NUMBER OF MEETINGS OF THE BOARD:**

During the Year under review, 4 (four) Board meetings were held. Further details of the meetings of the Board and its Committees are given in the Corporate Governance Report, which forms part of this Annual Report.

**16. PERFORMANCE EVALUATION:**

The Nomination and Remuneration Committee has specified the manner of effective evaluation of performance of the Board, its Committees and individual

Directors in accordance with the provisions of Section 178 of the Act.

Accordingly, 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 terms and conditions of appointment of Independent Directors are 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).

**17. 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, 2023, the composition of various Committees of the Board is as follows:

**A. Audit Committee:**

Name of the Director	Designation	Category
Mr. A. Siddharth	Chairman	Non-Executive Independent Director
Ms. Mumtaz Bandukwala	Member	Non-Executive Independent Director
Mr. Rahul Dutt	Member	Non-Executive Independent Director
Mr. V. Ramachandran	Member	Non-Executive Non-Independent Director

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

**B. Nomination and Remuneration Committee:**

Name of the Director	Designation	Category
Mr. Rahul Dutt	Chairman	Non-Executive Independent Director
Mr. A. Siddharth	Member	Non-Executive Independent Director
Mr. Hemant Desai	Member	Non-Executive Non-Independent Director

# DIRECTORS' REPORT

## C. Stakeholders Relationship Committee:

Name of the Director	Designation	Category
Mr. Anil Kumar Rajbanshi	Chairman	Non-Executive Non-Independent Director
Mr. A. Siddharth	Member	Non-Executive Independent Director
Ms. Mumtaz Bandukwala	Member	Non-Executive Independent Director
Mr. V. Ramachandran	Member	Non-Executive Non-Independent Director

Note: Mr. Anil Kumar Rajbanshi, a member of the Committee has been appointed as the Chairman of the Committee with effect from 20th December, 2022 in place of Mr. A. Siddharth consequent to relinquishment of Chairmanship by him on 19th December, 2022.

## D. Corporate Social Responsibility and Governance Committee:

Name of the Director	Designation	Category
Ms. Mumtaz Bandukwala	Chairperson	Non-Executive Independent Director
Mr. Rahul Dutt	Member	Non-Executive Independent Director
Mr. V. Ramachandran	Member	Non-Executive Non-Independent Director

## E. Risk Management Committee:

Name of the Director	Designation	Category
Ms. Mumtaz Bandukwala	Chairperson	Non-Executive Independent Director
Mr. Anil Kumar Rajbanshi	Member	Non-Executive Non-Independent Director
Mr. V. Ramachandran	Member	Non-Executive Non-Independent Director

Note: The Risk management Committee was reconstituted on 14th April, 2022. For details of the reconstitution kindly refer to the Corporate Governance Report which forms part of this Annual Report.

## F. Managing Committee [Voluntary Committee]:

The Board has constituted a voluntary committee known as the 'Managing Committee' to manage the day-to-day affairs of the Company and authorised to take all such decisions and actions as may be required to be taken in the ordinary course of the business.

Name of the Director	Designation	Category
Mr. V. Ramachandran	Member	Non-Executive Non-Independent Director
Mr. Sunil O. Khandelwal	Member	Manager
Mr. Bijay Agrawal	Member	Chief Financial Officer
Mr. K. H. Gopal	Member	President, Corporate Affairs & Legal

## 18. DECLARATION BY INDEPENDENT DIRECTORS:

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

- they meet the criteria of independence prescribed under the Act and the Listing Regulations;
- they have registered their names in the Independent Directors' Databank.
- they have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

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.

## 19. DIRECTORS' APPOINTMENT AND REMUNERATION POLICY:

The Board on the recommendation of the Nomination and Remuneration Committee has framed Policy for Selection of Directors and Determining Directors' Independence and Remuneration Policy for Directors, Key Managerial Personnel and Other Employees in compliance with Section 178(3) of the Act and Regulation 19 of the Listing Regulations and the same are available on the Company's website and can be accessed through the link: [https://www.alokind.com/Investor\\_Relations-pdf/Policies/Policy\\_for\\_Selection\\_of\\_Directors\\_and\\_Determining\\_Directors'\\_Independence.pdf](https://www.alokind.com/Investor_Relations-pdf/Policies/Policy_for_Selection_of_Directors_and_Determining_Directors'_Independence.pdf) and [https://www.alokind.com/Investor\\_Relations-pdf/Policies/Remuneration\\_Policy.pdf](https://www.alokind.com/Investor_Relations-pdf/Policies/Remuneration_Policy.pdf), respectively.

The Policy for Selection of Directors and Determining Directors' Independence sets out guiding principles for Nomination and Remuneration Committee for identifying persons who are qualified to become directors and determining directors' independence, if the person is intended to be appointed as independent director. There has been no change in the policy during the year under review.

The Remuneration Policy for Directors, Key Managerial Personnel and Other Employees sets out guiding principles for Nomination and Remuneration Committee for recommending to the Board the remuneration of Directors, Key Managerial Personnel and other



employees. There has been no change in the policies during the year under review.

## 20. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134 of the Act, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the annual accounts for the Financial Year ended 31st March, 2023, 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, 2023 and of the losses of the Company for the Financial 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 for the Financial Year ended 31st March, 2023 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.

## 21. RELATED PARTY TRANSACTIONS:

All contracts/ arrangements/ transactions entered by the Company during the Financial Year ended 31st March, 2023 with related parties were in its ordinary course of business and on an arm's length basis. During the year under review, 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.

Securities and Exchange Board of India ("SEBI") vide its notification dated 9th November, 2021, had amended certain provisions of Regulation 23 of the Listing Regulations relating to Related Party Transactions. The said amendments were effective from 1st April, 2022. Accordingly, the Company's Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions has been suitably amended. A copy of the amended Policy 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 39 to the standalone financial statements which sets out related party disclosures pursuant to Ind AS.

## 22. INTERNAL FINANCIAL CONTROLS:

The Company has adequate system of internal financial controls to safeguard and protect the Company from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following the applicable Accounting Standards for properly maintaining the books of accounts and reporting Financial Statements.

The internal financial controls have been embedded in the business processes. Assurance on the effectiveness of internal financial controls is obtained through management reviews, continuous monitoring by functional leaders as well as testing of the internal financial control systems by the internal auditors during the course of their audits.

The Audit Committee reviews the adequacy and effectiveness of Company's Internal Controls and monitors the implementation of audit recommendations.

## 23. AUDITOR AND AUDITOR'S REPORT:

### (a) Statutory Auditors:

S R B C & CO LLP, Chartered Accountants (ICAI FRN 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 Auditor's Report are self-explanatory and do not call for any further comments. The Statutory Auditor's Report on the standalone and consolidated financial statements of the Company

for the Financial Year ended 31st March, 2023, 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 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 ended 31st March, 2023.

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 31st March, 2023. The Report given by the Secretarial Auditor is annexed herewith and marked as **Annexure-3**.

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

## 24. 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.

## 25. COMPLIANCE OF SECRETARIAL STANDARDS:

In terms of Section 118(10) of the Act, the Company is complying with the Secretarial Standards issued by the Institute of Company Secretaries of India and approved by Central Government with respect to Meetings of the Board of Directors and General Meetings.

## 26. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

In accordance with the Listing Regulations, the Business Responsibility and Sustainability Report describing the initiatives taken by the Company from an environmental, social and governance perspective is available on the Company's website and can be accessed through the link: [https://www.alokind.com/Investor\\_Relations-pdf/Annual\\_Reports/BRSR\\_FY\\_22-23.pdf](https://www.alokind.com/Investor_Relations-pdf/Annual_Reports/BRSR_FY_22-23.pdf).

## 27. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required pursuant to provisions of Section 134(3)(m) of the Act, read with the Rules made thereunder, is annexed herewith and marked as **Annexure-4**.

## 28. ANNUAL RETURN:

The Annual Return of the Company as on 31st March, 2023, is available on the Company's website and can be accessed through the link: [https://www.alokind.com/generalmeeting\\_annual\\_returns.html](https://www.alokind.com/generalmeeting_annual_returns.html).

## 29. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH). An Internal Committee has been set up to redress and resolve the complaints arising under the POSH. Appropriate reporting mechanisms are in place for ensuring protection against sexual harassment. There has been no change in the policy during the year under review.

During the year under review, the Company has not received any complaints in this regard.

## 30. PARTICULARS OF EMPLOYEES:

Pursuant to Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Directors' Report. Disclosures relating to remuneration and other details as required