

ALOK INDUSTRIES LIMITED

Peninsula Business Park, Tower B, 2nd & 3rd Floor, Ganpatrao Kadam Marg, Lower Parel,
Mumbai - 400 013. Tel.: 91 22 6178 7000 Fax : 91 22 6178 7118



18th October, 2016

BSE Limited. Listing Department, P.J. Towers, Dalal Street, Mumbai - 400 001. Fax No.: 2272 2037 / 2272 2039	National Stock Exchange of India Ltd, Exchange Plaza, 5th Floor, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051. Fax No.: 2659 8237 / 2659 8238
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Subject: - Submission of notice of Postal Ballot pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Ref: Our Letter dated 14th October, 2016.

**Scrip Code: - NSE- ALOKTEXT
BSE- 521070**

Dear Sirs,

With reference to the above referred letter dated 14th October, 2016 and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are herewith submitting Postal Ballot Notice dated 14th October, 2016 along with Postal Ballot Form send to all members of the Company whose name appear in the Registrar of Members on Friday, 14th October, 2016 (Cut-Off Date).

The above is for your information and record.

Kindly take record of the same.

Thanking you,

Yours truly,
FOR ALOK INDUSTRIES LIMITED


K. H. GOPAL
EXECUTIVE DIRECTOR &
SECRETARY

Encl: a/a

ALOK INDUSTRIES LIMITED

Registered Office: 17/5/1, 521/1, Village Rakholi/Saily, Silvassa -396 230

Union Territory of Dadra and Nagar Haveli

Tel.: 0260-6637000 Fax: 0260-2645289

CIN No: L17110DN1986PLC000334

Website: www.alokind.com

POSTAL BALLOT NOTICE

Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management & Administration) Rules 2014

Sub: Passing of Resolution by Postal Ballot

To the Members of the Company

Notice is hereby given that, the resolutions set out hereunder for seeking approval of the Shareholders by way of an Ordinary resolution in respect of making a reference to Board for Industrial and Financial Reconstruction (BIFR) pursuant to Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985, are proposed to be passed by means of Postal Ballot and Electronic Voting (e-Voting). The Explanatory statement pursuant to Section 102 of the Companies Act, 2013 relating to the resolutions is annexed herewith.

The Board of Directors of your company has appointed Mr. Virendra G. Bhatt, Practising Company Secretary (Membership No.1157) as Scrutinizer for conducting the postal ballot and e-voting process in a fair and transparent manner.

Members have the option to vote either by Postal Ballot or through e-voting. Members desiring to exercise their votes by Postal Ballot are requested to carefully read the instructions printed on the Postal Ballot form and return the same duly completed and signed, in the enclosed self-addressed postage prepaid envelope, so as to reach the Scrutinizer on or before 5.00 p.m., on Friday, November 18th, 2016. Members desiring to opt for e-voting are requested to read carefully the instructions given in the Notes forming part of the Notice.

Based on the Scrutinizer's Report to the Chairman/Secretary of the company, the results of the Postal Ballot and e-voting will be declared on Saturday, November 19th, 2016 at 4:30 p.m., at the Registered Office of the Company. Such results, alongwith the Scrutinizer's Report will be available on the Company's website www.alokind.com under the section 'Investor Relations' and will be forwarded to the Stock Exchanges where the Company's shares are listed. National Securities Depository Limited (NSDL), engaged by the Board of Directors of the Company for facilitating e-voting, will also display these results on its website www.evoting.nsdl.com.

Special Business:

To consider and, if thought fit, to pass with or without modification(s), the following Resolution, as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985, the applicable provisions of the Companies Act, 2013 and such other laws, rules, regulations, guidelines or notifications as may be applicable, if any, **The Report of the Board of Directors** explaining the reasons of erosion of more than 50% of the peak net worth of the Company as per the Audited Financial Results of the Company for the year ended 31st March, 2016, be and is hereby considered and approved.

RESOLVED FURTHER THAT any of the Executive Directors or the Chief Financial Officer or the Company Secretary of the Company be and is hereby authorised to report the Company as Potentially Sick Industrial Company to the Board for Industrial and Financial Reconstruction ("BIFR") and/or such other State and Central Government Authorities, as may be required under the laws, rules, regulations, guidelines and directives for the time being in force, in the prescribed form and to intimate such other authorities, entities, financial institutions, stock exchanges, body corporates as may be necessary in terms of the agreements, security documents, undertakings, declarations entered into by the Company.

RESOLVED FURTHER THAT any of the Executive Directors or the Chief Financial Officer or the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may deem necessary, desirable or expedient to give effect to the above resolution."

By Order of the Board
For Alok Industries Limited

Sd/-

K. H. Gopal
Executive Director & Secretary

Place: Mumbai

Dated: October 14, 2016

Notes:

1. The Postal Ballot Notice is being sent to the Members whose names appear in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories on Friday, October 14th, 2016. The Postal Ballot Notice is being sent in electronic mode to those members who have registered their e-mail addresses with the Company or with the Depositories and in physical mode to the other Members.
2. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on October 14th, 2016 (cut-off date). Only those members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by Postal Ballot or e-voting. A person who is not a Member on the cut-off date should accordingly treat this Notice as for information purposes only.
3. Members can opt for only one mode of voting i.e. either Postal Ballot or e-voting. In case any Member votes both by Postal Ballot and e-voting, the votes cast through e-voting shall prevail and the votes cast through Postal Ballot shall be considered invalid.
4. The date of declaration of the Postal Ballot result will be taken to be the date of passing the resolutions proposed by this Notice.

The procedure with respect to e-voting is provided below:

A. In case of Members who receive the Postal Ballot Notice in electronic mode:

- (i) Open the email and open PDF file viz; "ALOK e-voting.pdf" with your Client ID No or Registered Folio Number as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/> and click on 'Shareholder-Login'.
- (iii) Insert user ID and password as initial password noted in step (i) above. Click on 'Login'. If you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password. If you forgot your password, you can reset your password by using "Forgot User details/password", option available on www.evoting.nsdl.com.
- (iv) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Please do not share your password with any other person and take utmost care to keep your password confidential.
- (v) Home page of e-voting opens. Click on 'e-voting: Active Voting Cycles' and select Electronic Voting Event Number (EVEN) of "Alok Industries Limited".
- (vi) Now you are ready e-voting as 'Cast Vote' page opens.
- (vii) Cast your vote by selecting appropriate option and click on "Submit". Thereafter click on "Confirm" when prompted; upon confirmation, your vote is cast and you will not be allowed to change your vote.
- (viii) Thereafter the message "Vote cast successfully" will be displayed.
- (ix) Corporate and Institutional shareholders (companies, trusts, societies etc.) are required to send scanned copy (in PDF/JPG Format) of the relevant Board Resolution/ appropriate authorization letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to bhattivirendra1945@yahoo.co.in with a copy marked to NSDL's e-mail ID evoting@nsdl.co.in

B. In case of the Members who receives Postal Ballot Notice by post:

- (i) User ID and Initial password is provided in the Postal Ballot Form.
- (ii) Please follow all steps from Sl. No. (ii) to (ix) mentioned in A above, to cast your vote.

C. Member already registered with NSDL for e-voting can use their existing user ID and password for Login. Thereafter please follow the steps from Sl.No (v) to (ix) mentioned in A above, to cast your vote.

D. In case of any queries/grievance, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting User Manual for Shareholders available under the Downloads section of NSDL's e-voting website www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

E. The period for e-voting starts at 10.00 a.m. on October 20th, 2016 and ends at 5.00 p.m. on November 18th, 2016. E-voting will be blocked by NSDL at 5.00 p.m. on November 18th, 2016.

F. There will be one e-vote for every Client Id/Registered Folio No. irrespective of the number of joint holders.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Considering the erosion of net worth of the Company as per Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985

In term of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 ("SICA"), if the accumulated losses of an industrial company, as at the end of any financial year have resulted in erosion of fifty percent or more of its peak net worth during the immediately preceding four financial years, the said Company falls under the category of 'Potentially Sick Industrial Company' and is required to report the fact of such erosion to the Board for Industrial and Financial Reconstruction ("BIFR") within 60 days from the date of finalization of the audited accounts, which is the date of the Annual General Meeting of the company in which such accounts are approved by the shareholders.

As per the audited annual accounts of the company for the financial year ended March 31st, 2016, which were approved by the shareholders of the Company at the 29th Annual General Meeting held on September 24th, 2016, the accumulated losses of the Company as at March 31st 2016, amounting to Rs.3722.80 crore have resulted in erosion of more than fifty percent of its peak net worth of Rs.5415.82 crores during the four financial years preceding the financial year ended March 31st, 2016 (calculated as per the provisions of SICA).

The facts relating to such erosion and its causes and the revival measures being taken by the Company are explained in the report of the Board of Directors forming part of this notice.

The Board recommends the resolution as given in the notice for your approval.

The documents referred to in this notice and the explanatory statement are available for inspection on business hours on all working days (except Saturday, Sunday and holidays) at the Registered office of the Company until the date of declaration of the postal ballot results by the Scrutinizer of any adjournment thereof.

None of the Directors and the Key Managerial personnel and their relatives is in any way concerned or interested, financially or otherwise, in the resolution, except to the extent of their shareholding in the Company.

By Order of the Board
For Alok Industries Limited

Sd/-
K. H. Gopal
Executive Director & Secretary

Place: Mumbai
Dated: October 14, 2016

(Annexure to the Explanatory Statement)

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS OF ALOK INDUSTRIES LIMITED UNDER SECTION 23(1)(b) OF SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985 (SICA)

To the Members of the Company

As per audited financial accounts of the Company for the financial year ended March 31st, 2016 adopted by the shareholders of the Company at their 29th Annual General Meeting held on September 24th, 2016, the loss was Rs.3722.80 crores which resulted in reduction in its peak net worth during the four financial years preceding the financial year ended March 31st, 2016 by more than 50% as calculated as per the provisions of SICA. This is the first time that the Company has incurred a loss and the Company is therefore required to inform the Board for Industrial and Financial Reconstruction (BIFR) about this fact of reduction in net worth and the revival plan being implemented by the Company.

Accordingly, in terms of requirements of Section 23(1) (b) of the Sick Industrial Companies Special Provisions) Act, 1985, a report of the Board of Directors on erosion of more than 50% of the Company's peak net worth during the immediately preceding four financial years along with its causes and revival plan is being submitted herewith to the Members of the Company.

Causes for Erosion of the relevant Net worth:

The Company is one of India's leading textiles manufacturers, with a global scale of operations and has uniquely positioned itself in both apparel and home textiles segments and covered both the cotton and polyester product streams. The Company has built up global scale of operations, which are essential to compete in the global market place and focus on diversification in product and markets.

In a bid to further diversify the business risks and leverage market opportunities, the Company had also invested into certain new initiatives that were in addition to its core textiles manufacturing operations out of India. This included acquisition of Mileta, a Czech Republic based integrated textiles player; UK based retail venture called 'Store Twenty One' through its step down subsidiary Grabal Alok (UK) Limited and real estate investments through Alok Infrastructure Limited, its 100% subsidiary. Across all these businesses, the focus was on enhancing value. However, most of these initiatives on one hand have not yielded the desired results and increased the leverage of the Company on the other hand.

This entire endeavor at expanding for global positioning and diversifying the business warranted large scale investments. Consequently, it was also to deal with a highly financially leveraged balance sheet. Over the last few years, as the Company developed its higher capacities and diversified into other business, external environment became subdued. India as well as global markets went through a phase of economic slowdown and uncertainties. As a result, the Company could not exit some of its overseas and domestic real estate business and the burden of servicing debt has grown significantly on its textile business operations.

The reasons for the Company's tight liquidity situation and losses can be summarized as under:

- a) Temporary mis-match of funds caused due to bunching of repayments of core and non-core loans.
- b) Substantial amount from operations was used to service debt obligations resulting in tight working capital situation which impacted operations.
- c) Increase in average interest cost from about 7% per annum in FY 2010 to around 13% by FY2014.
- d) Delay in sanction/ release of credit facilities and delay in receiving export advances against the Export Performance Bank Guarantee.
- e) This was further aggravated by the higher receivables and inventory in the domestic market for woven fabric due to tight liquidity.
- f) Delay in monetization of non-core assets due to depressed economic conditions which resulted in additional burden of interest of non-core business loans on core textile business.

Due to the above reasons, the Company experienced a tight liquidity position which prevented it from growing revenues and generating cash.

Steps taken and being implemented:

The Company has already initiated steps to exit from its non-core businesses. In this context, the Company has closed its domestic retail (H&A) business by shutting down stores across India. It has also got traction in selling material portions of its commercial real estate units, which were located in Mumbai. Further, towards this end, the company has entered into an MOU to sell its Czech based unit 'Mileta International'. If all the requirements of the MOU are satisfactorily met, the transaction is expected to conclude by March 2017/ June 2017. The proceeds of the same would be used to repay the acquisition debt financed by the banks.

The Company is continuing its efforts to sell majority of its non-core assets in the next financial year and use the proceeds to reduce debt. However, market conditions, today are not very conducive to make such asset sales in a reasonable span of time.

In November 2015 (reference date 27.11.2015), banks invoked the SDR (Strategic Debt Restructuring) to work out a viable solution for the Company. Under SDR, Banks agreed in principle to convert debt of Rs.2557.88 crore into equity i.e. 2,55,78,76,091 equity shares of Rs.10 each to take a controlling stake of upto 65% in the company. The Company has passed necessary enabling resolution in its Board meeting held on 30.01.2016 as well as obtained shareholders' approval at the Extraordinary General Meeting (EGM) held on 14.03.2016 to increase authorized share capital and allow conversion of debt to equity under the SDR Scheme by way of fresh issue of equity shares. However, there was a case filed by a foreign based consortium of banks for winding up of the Company for non-payment of their dues and also restricted the further issue of shares without their approval. As a result, banks so far have not converted the said debt into equity.

The Company is working with all financial stake holders to evolve an effective debt recasting programme and exploring various avenues to induct capital into the system and continue operations as a 'going concern'.

There are some other cases filed on the company by banks/ institutions and suppliers for recovering their dues. Most of these cases are being pursued due to uncertainty about the way forward for the Company. We believe, once the definite course of action about the revival of the Company is known, most of the legal cases filed on the Company would get addressed.

Recently, the Joint Lenders Forum (JLF) permitted six banks in the consortium that comprise the Steering Committee to provide a priority loan of Rs.120 crore and further allowed use of Rs.30 crore realized on sale of surplus assets. The JLF has also appointed a cash monitoring agency to monitor cash flow generation and utilization, recommend cost reduction measures and validate the revenue, EBITDA and cash flow estimates as contained in the Techno Economic Viability Report prepared by a leading textile consulting firm. Post-infusion of the priority loan, the capacity utilization has moved up to about 45% and expected to reach around 65% by December 2016.

While the lenders are in discussions to work out a suitable restructuring package that could either be under the SDR or the Scheme for Sustainable Structuring of Stressed Assets (S4A) or any other Scheme as may be deemed appropriate by them, the company is also proposing to submit a proposal for deep restructuring containing the broad contours of the debt that can be sustained and suitable treatment of the current non-sustainable debt. Post restructuring of the debt, the company is expected to gradually regain normalcy.

By Order of the Board
For Alok Industries Limited

Sd/-
K. H. Gopal
Executive Director & Secretary

Place: Mumbai
Dated: October 14, 2016

ALOK INDUSTRIES LIMITED

Regd. Office: Survey Nos.17/5/1 & 521/1, Village Rakholi/ Saily, Silvassa - 396230,
Union Territory of Dadra and Nagar Haveli
CIN: LI7110DN1986PLC000334

POSTAL BALLOT FORM

Ballot Serial No.

1. Registered Folio No/ :
DP ID No. & Client ID No.

2. Names(s) & Registered Address of :
the Sole/First named shareholder /
Beneficial owner, including
Joint holder(s), if any

3. No. of shares held :

I we/hereby exercise my/our vote in respect of the following Resolution to be passed through Postal Ballot and e-voting by conveying my/our assent/dissent to the said resolution by placing a tick (✓) mark at the appropriate box below:

Description	No. of Shares for which vote cast	I / We assent to the resolution (For)	I / We dissent to the resolution (Against)
Ordinary Resolution for making reference to Board for Industrial and Financial Reconstruction (BIFR) under the provisions of the Sick Industrial Companies Act for being a potentially sick unit			

Place:

Date:

(Signature of the Shareholder)

ELECTRONIC VOTING PARTICULARS

Electronic Voting Event Number	USER ID	PASSWORD

Note: Please read the instructions printed overleaf carefully before exercising your vote.

INSTRUCTIONS

- a. Members deciding to exercise vote by Postal Ballot should complete and sign this Postal Ballot Form and send it to the Scrutinizer, Mr. Virendra G Bhatt, in the enclosed self-addressed postage prepaid envelope. Postal Ballot form deposited in person or sent by post or courier at the expense of the Member will also be accepted.
- b. In case of joint holding this Postal Ballot Form should be completed and signed by the first named Member and in his/her absence by the next named Member.
- c. Assent must be accorded by placing a tick (✓) mark in the column 'I/We assent to the Resolution (FOR)' or dissent must be accorded by placing a tick (✓) mark in the column 'I/We dissent to the Resolution (AGAINST)'.
- d. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc), the completed Postal Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution/ appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
- e. The signature of the Member on this Postal Ballot Form should be as per the specimen signature furnished by National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) or registered with the Company, in respect of shares held in dematerialized form or in the certificate form respectively.
- f. Postal Ballot Forms which are incomplete or unsigned or defective in any manner are liable to be rejected. The Scrutinizers decision in this regard shall be final and binding.
- g. Members seeking duplicate Postal Ballot Forms can write to the Ramesh.shetty@alokind.com or email at info@alokind.com/ grievances@alokind.com
- h. Members are requested not to send any other paper along with this Postal Ballot Form.
- i. Completed Postal Ballot Forms, as stated above, should reach the Scrutinizer not later than 5.00p.m. on Friday, November 18th, 2016. Postal Ballot Forms received after this date will be considered invalid.

GENERAL INFORMATION

- a) One Postal Ballot Form is being sent for every Client ID No./Registered Folio No. irrespective of the number of joint shareholders.
- b) Members can opt for only one mode of voting i.e. either Postal Ballot or e-voting. In case any Member votes both by Postal Ballot and e-voting, the votes cast through e-voting shall prevail and the votes cast through Postal Ballot shall be considered invalid.
- c) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member on October 14th, 2016 being the cut-off date.