

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



14 June 2019

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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Dear Sirs,

Sub: Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2019

We request you to refer our letter of 29th May, 2019 informing you about the meeting of the Monitoring Committee of the Company scheduled on 14th June, 2019. We have to inform you that the said Monitoring Committee Meeting was held as scheduled and amongst other things, the following matters were considered and approved:

In terms of Regulation 30, 33 & 52 and other applicable regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the Regulations), we are submitting the following documents:

1. Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2019;
2. Statement of Assets and Liabilities as at the end of the financial year ended on March 31, 2019; and
3. Independent Auditors' Report on the Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2019. It is hereby declared that the Statutory Auditors (M/s Shah Gupta & Co., and M/s. NBS & Co., Chartered Accountants), have issued the Auditors' Report with a modified opinion in respect of the Audited Standalone and Consolidated Financial Results for the year ended on March 31, 2019.
4. Statement of Impact of Audit Qualification (for audit report with modified opinion)- Standalone in Annexure-I and Statement of Impact of Audit Qualification (for audit report with modified opinion) – Consolidated in Annexure-II
5. The Monitoring Committee decided to take up the matters concerning closure of the Register of Members and Share Transfer Books of the Company and to approve the date, time and venue of the Thirty Second Annual General Meeting of the Company at a later date, details of which will be informed to you in due course.

The meeting commenced at 4:00 p.m. and concluded at 11.00 p.m.

In terms of the applicable provisions, of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2017, the results are also being published in the newspaper and placed on Company's website www.alokind.com.

The above is for your information and record

Yours truly,
For Alok Industries Limited

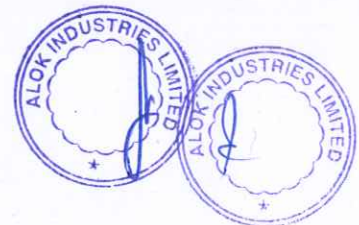

K H Gopal
Company Secretary

Statement of Audited Standalone Financial Results for the Quarter and Year Ended 31 March 2019 and
Consolidated Financial Results for the Year Ended 31 March 2019

Sr No	Particulars	Standalone					Consolidated	
		Quarter ended		Year Ended			Year ended	
		31.03.2019 (Audited)	31.12.2018 (Unaudited)	31.03.2018 (Audited)	31.03.2019 (Audited)	31.03.2018 (Audited)	31.03.2019 (Audited)	31.03.2018 (Audited)
1	Income							
	a) Revenue from Operations (refer note 6)	770.52	675.68	841.81	3,128.76	5,381.95	3,352.24	5,562.08
	b) Other Income	45.55	75.44	72.46	124.32	105.68	18.53	256.61
	Total Income	816.07	751.12	914.27	3,253.08	5,487.64	3,370.77	5,818.69
2	Expenses							
	a) Cost of materials consumed	517.50	506.10	548.94	2,105.77	5,189.14	2,215.54	5,278.74
	b) Purchase of Stock in Trade	-	-	-	-	-	8.82	8.55
	c) Changes in inventories of finished goods and work-in-progress	(7.73)	4.27	(30.83)	45.51	(26.22)	49.91	(2.62)
	d) Excise Duty (refer note 6)	-	-	-	-	48.33	-	48.33
	e) Employee benefits expense	64.94	61.68	63.76	252.95	275.68	300.89	323.20
	f) Finance costs (refer note 3)	868.93	1,091.22	1,041.74	4,158.00	4,682.87	4,308.74	4,711.33
	g) Depreciation and amortisation expense	132.74	136.87	140.37	533.17	527.80	549.51	544.61
	h) Other expenses	153.08	210.15	203.37	892.83	849.46	958.93	1,085.53
	i) Bad debts written off	-	-	-	-	585.51	-	878.26
	j) Provision for doubtful debts and advances	26.87	0.22	253.77	28.82	11,561.20	(52.68)	11,509.91
	Total expenses	1,756.33	2,010.51	2,221.12	8,017.06	23,693.78	8,339.66	24,385.84
3	Loss from operations before Share of profit/(loss) of Joint Ventures, exceptional items and tax (1-2)	(940.25)	(1,259.39)	(1,306.85)	(4,763.97)	(18,206.14)	(4,968.89)	(18,567.15)
4	Share of profit/(loss) from joint ventures	-	-	-	-	-	(1.02)	(0.48)
5	Loss before exceptional items and tax (3 - 4)	(940.25)	(1,259.39)	(1,306.85)	(4,763.97)	(18,206.14)	(4,969.91)	(18,567.63)
6	Exceptional Items (refer note 3)	7,045.19	-	-	7,045.19	-	7,045.19	-
7	Profit / (Loss) before tax (5 - 6)	6,104.94	(1,259.39)	(1,306.85)	2,281.22	(18,206.14)	2,075.28	(18,567.63)
8	Tax expense							
	(i) Current Tax	-	-	-	-	-	0.86	15.79
	(ii) Deferred Tax	(0.91)	-	(4.66)	(0.91)	(4.66)	(1.74)	(5.36)
	(iii) Provision for tax in respect of earlier years	-	-	18.46	-	15.85	-	-
	Total Tax expense	(0.91)	-	13.80	(0.91)	11.19	(0.88)	10.43
9	Net Profit / (Loss) for the period (7-8)	6,105.84	(1,259.39)	(1,320.65)	2,282.13	(18,217.33)	2,076.16	(18,578.06)
10	Other comprehensive income							
	(i) Items that will not be subsequently reclassified to profit or loss							
	(a) Remeasurements gains /(losses) on defined benefit plans	2.60	-	13.46	2.60	13.46	2.60	13.46
	(b) Income tax on (a) above	(0.91)	-	(4.66)	(0.91)	(4.66)	(0.90)	(4.66)
	(ii) (a) Items that will be subsequently reclassified to profit or loss	-	-	-	-	-	(231.70)	3.45
	(b) Income tax on (a) above	-	-	-	-	-	80.19	(1.19)
	Total Other comprehensive income	1.69	-	8.80	1.69	8.80	(149.82)	11.06
11	Total comprehensive Income (9+10)	6,107.53	(1,259.39)	(1,311.85)	2,283.82	(18,208.53)	1,926.34	(18,567.00)
12	Paid up Equity Share Capital (Face Value Rs.10/- per equity share)	1,368.64	1,368.63	1,368.63	1,368.64	1,368.64	1,368.63	1,368.63
13	Other Equity (excluding Revaluation Reserve)	-	-	-	(14,290.82)	(16,569.17)	(15,962.97)	(18,045.80)
14	Earnings per share (EPS) (of Rs.10 each) :							
	Basic (Rs.)	44.90 *	(9.26) *	(9.73) *	16.67	(133.96)	15.17	(136.81)
	Diluted (Rs.)	44.90 *	(9.26) *	(9.73) *	16.67	(133.96)	15.17	(136.81)

* - Not annualised

The positive EPS for the quarter and for the year ended is on account of reversal of interest provision as explained in Note no. 3



Standalone and Consolidated Statement of Assets and Liabilities

Particulars	(Rs. in crore)		(Rs. in crore)	
	Standalone		Consolidated	
	As At 31-Mar-19 Audited	As At 31-Mar-18 Audited	As At 31-Mar-19 Audited	As At 31-Mar-18 Audited
ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment (refer note 6)	14,626.54	15,125.29	14,716.51	15,221.86
(b) Capital work-in-progress	-	-	0.53	4.45
(c) Investment Property	7.83	8.07	855.05	838.71
(d) Other Intangible assets	0.84	1.03	0.85	2.25
(e) Investment in joint ventures	-	-	95.51	94.56
(f) Financial Assets				
(i) Investments	92.43	92.43	0.06	0.05
(ii) Loans	874.88	942.32	20.82	5.61
(iii) Others	107.05	149.91	107.05	149.91
(g) Deferred tax Assets (net) (refer note 4)	1,423.11	1,423.11	1,227.08	1,226.28
(h) Current tax assets (net)	40.10	36.08	43.19	38.87
(i) Other non-current assets	37.67	38.38	50.58	57.27
	17,210.45	17,816.62	17,117.23	17,639.82
(2) Current Assets				
(a) Inventories	325.56	358.77	419.29	508.85
(b) Financial assets				
(i) Trade receivables	165.57	207.36	243.14	309.93
(ii) Cash and cash equivalents	14.93	31.49	27.70	54.63
(iii) Bank balances other than (ii) above	9.90	12.17	9.90	12.17
(iv) Loans	-	-	1.40	0.74
(v) Others	2.85	2.64	3.08	2.87
(c) Other Current Assets	170.61	148.94	194.61	171.36
	689.41	761.38	899.12	1,060.55
TOTAL ASSETS	17,899.85	18,578.00	18,016.35	18,700.37
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	1,368.64	1,368.64	1,368.64	1,368.64
(b) Other equity	(14,290.82)	(16,569.17)	(15,987.07)	(18,045.80)
	(12,922.18)	(15,200.54)	(14,618.43)	(16,677.17)
LIABILITIES				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	5,870.72	7,123.22	6,125.30	7,367.16
(b) Provisions	40.65	35.68	40.67	35.70
(c) Current tax Liabilities (net)	121.53	121.53	121.53	121.53
(d) Other non-current tax Liabilities	-	-	0.02	0.02
	6,032.90	7,280.43	6,287.52	7,524.41
(2) Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	16,947.85	17,145.70	17,678.10	17,845.93
(ii) Trade payables				
- Dues to micro, small and medium enterprises	102.62	11.91	102.62	11.91
- Dues to Others	660.39	774.34	955.12	1,051.18
(iii) Other financial liabilities	6,779.08	8,214.89	7,115.69	8,510.53
(b) Other current liabilities	295.59	345.69	490.97	426.70
(c) Provisions	3.61	5.58	4.75	6.88
	24,789.13	26,498.11	26,347.25	27,853.13
TOTAL EQUITY AND LIABILITIES	17,899.85	18,578.00	18,016.35	18,700.37



Notes :

- 1 Pursuant to an application made by State Bank of India, the Hon'ble National Company Law Tribunal, Ahmedabad bench ("Adjudicating Authority"), vide its order dated 18 July 2017, had ordered the commencement of the corporate insolvency resolution ("CIR") process in respect of the company under the provisions of the Insolvency and Bankruptcy Code, 2016 (the "Code").
- During the CIR process, only one resolution plan dated 12 April, 2018 ("Resolution Plan") was received from JM Financial Asset Reconstruction Company Limited, JM Finance ARC - March 18 Trust and Reliance Industries Limited jointly ("Resolution Applicants").
- Pursuant to its order dated 08 March 2019 ("NCLT Order"), the Adjudicating Authority approved the resolution plan ("Approved Resolution Plan") submitted by the Resolution Applicants for the Company under Section 31 of the Insolvency and Bankruptcy Code, 2016 ("Code"). As per the terms of Section 31 of the Code, the Approved Resolution Plan shall be binding on the Company, its employees, members, creditors, guarantors and other stakeholders involved in the Resolution Plan.
- Pursuant to the Approved Resolution Plan, a Monitoring Committee has been formed w.e.f. 12th March, 2019 to manage the affairs of the Company and to maintain the Company as a going concern. Considering this the financial statements are being presented on a 'Going Concern' basis.
- Upon implementation of the Approved Resolution Plan, inter alia, total plan outlay of Rs. 6252 crore would be deployed as under:
 - (i) Payment to financial creditors -INR 5,052 crore (less any excess CIRP cost, if any, in terms of the Resolution Plan).
 - (ii) Payment towards CIRP cost, amount due to operational creditors, workmen and employees -INR 700 crore.
 - (iii) Payment towards capital expenditure -INR 500 crore.
 - Reduction of existing share capital - The Resolution Plan proposes reduction of the Company's share capital without any payout to the shareholders, by reducing the face value of each issued and outstanding equity share of the Company from INR 10 to Re. 1.
 - Issuance of Securities - Reliance Industries Limited (RIL) will infuse (i) INR 250 crore into the Company against issuance of 83,33,333 shares constituting 21.25% of the issued and paid up equity share capital of the Company; (ii) INR 250 crore into the Company against issuance of 9% optionally convertible preference shares of face value of Re 1 each. Further, the JMFARC- March - 2018 -Trust will convert a portion of the Outstanding ARC Debt into equity shares such that it holds 171,06,66,667 equity shares constituting 43.63% of the issued and paid up equity share capital and will further invoke pledges on 13,59,11,844 equity shares assigned by Financial Creditors, such that it holds in total 47.09% of the issued and paid up equity share capital of the Company.
 - Post the additional issue of equity and conversion of Outstanding ARC Debt, Existing Promoter Group shall hold 6.66% of the Company's issued and paid up equity share capital, which, subject to necessary approvals, shall be cancelled through selective capital reduction without any payout to the Existing Promoter Group. Post and subject to the Promoter Capital Reduction, the Trust and/or RIL will in aggregate hold 75% of the Company's issued and paid up equity share capital. The public shareholding will be 25%.
- 2 As per the Approved Resolution Plan, RBI approval, which is a condition precedent to the implementation of the plan, is yet to be received. Further, certain creditors of the Company have filed petition with the Hon'ble National Company Law Appellate Tribunal, New Delhi ("Appellate Tribunal"), inter alia, praying for certain reliefs and are pending adjudication. However, no stay on the implementation of the plan has been granted by the Hon'ble Appellate Tribunal.
- 3 Since the Resolution Plan for the Company has now been approved by the Adjudicating Authority, interest on the borrowings accrued for the period from 18.07.2017 to 08.03.2019 amounting to Rs. 7045.19 crore is derecognised during the period.
- 4 Arising out of the adjustment in note no 3 above the Company has recorded a total comprehensive income of Rs. 6107.53 Crore during the quarter and total comprehensive income of Rs. 2283.82 Crore for the year ended 31st March, 2019, The Company's accumulated losses amounted to Rs. 15658.54 Crore. Total liabilities of the Company as on 31st March, 2019 exceeded total assets by Rs. 12922.18 Crore.
- 5 The net deferred tax assets as on 31st March, 2019 are Rs. 1423.11 crore (Previous Year Rs. 1423.11 crore). Since reliable projections of future taxable income shall be available only when the Approved Resolution Plan is implemented, deferred tax assets for the current period and the Financial Year are presently not recognised and the net deferred tax assets as at the end of the previous financial year have been carried forward.
- 6 Revenue from operations for the period up to 30th June, 2017 included excise duty, which is discontinued with effect from 1st July, 2017 upon implementation of Goods and Service Tax (GST) Act. In accordance with 'Ind AS 18 - Revenue', GST is not included in revenue from operations. In view of the aforesaid change, revenue from operations for the year ended 31st March, 2019, is not comparable to the corresponding previous period.
- 7 The Company's current level of operations, at about 30% of the capacity, may not be an indication of the future performance of the Company. Pending implementation of the Approved Resolution Plan, reliable projections of availability of future cash flows of the Company supporting the carrying value of Property, Plant and Equipment cannot be determined. Accordingly Impairment testing under Ind AS has not been performed while presenting these results.
- 8 Considering the nature of its business activities and related risks and returns, the Company had, at the time of transition to Ind AS, determined that it operates in a single primary business segment, namely "Textiles", which constitutes a reportable segment in the context of Ind AS 108 on "Operating Segments". There has been no development during the quarter necessitating any changes in Operating Segment.
- 9 (a) Alok Infrastructure Limited ("Alok Infra") a wholly owned subsidiary of the company, was admitted under the corporate insolvency resolution ("CIR") process in terms of the Insolvency and Bankruptcy Code, 2016 ("Code"), vide an order dated 24th October 2018 of the Hon'ble National Company Law Tribunal, Mumbai ("Adjudicating Authority").
- The Resolution Professional of Alok Infra has informed that under the advice of the CoC, an application under Section 12A of the Code has been filed for withdrawing the insolvency petition of Alok Infra. Currently, this application is pending with the Adjudicating Authority.
- (b) During the year, Alok Infra has incurred a net loss of Rs. 133.38 crore. The Company's accumulated losses amounted to Rs. 996.51 crore. The Company's networth amounted to Rs. 789.39 crore. Total liabilities as on 31st March, 2019 exceeded total assets by Rs. 919.77 crore.
- (c) Further, Alok Infra has not carried out any impairment testing of investment property and therefore the correct carrying value of investment property in the consolidated result is unascertainable.
- 10 The above results are certified by the Chief Financial Officer and the Company Secretary and taken on record by the Monitoring Committee at its meeting held on 14th June, 2019.
- 11 The figures of previous periods / year have been reclassified / regrouped, wherever necessary, to correspond with those of the current periods / year.



Additional Disclosure as per Regulation 52 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sr. No.	Particulars	As at 31st March, 2019
(a)	Credit Rating	Refer note (i) below
(b)	Asset Cover available	Refer note (ii) below
(c)	Debt - Equity Ratio	NIL in view of the negative net worth of the Company.
(d)	Previous Due Dates for the payment of interest of Non-Convertible Debentures (NCDs):	
(i)	11.50% NCDs issued on 29.06.2010	29th June, 2016
(ii)	13.00% NCDs issued on 20.10.2010	20th October, 2018
(iii)	15.50% NCDs issued on 04.03.2011	4th March, 2017
(iv)	12.00% NCDs issued on 01.02.2012	31st January, 2019 (Refer Note (iii) below)
(e)	Previous Due Dates for the repayment of principal NCDs:	
(i)	11.50% NCDs issued on 29.06.2010	29th June, 2016
(ii)	13.00% NCDs issued on 20.10.2010	20th October, 2018
(iii)	15.50% NCDs issued on 04.03.2011	4th March, 2017
(iv)	12.00% NCDs issued on 01.02.2012	1st February, 2019 (Refer Note (iii) below)
(f)	Next due date and amount for the payment of interest of NCDs:	
(i)	11.50% NCDs issued on 29.06.2010	Not Applicable
(ii)	13.00% NCDs issued on 20.10.2010	Not Applicable
(iii)	15.50% NCDs issued on 04.03.2011	Not Applicable
(iv)	12.00% NCDs issued on 01.02.2012	30th April, 2019 (Refer Note (iii) below)
(g)	Next due date and amount for the repayment of Principal of NCDs:	
(i)	11.50% NCDs issued on 29.06.2010	Not Applicable
(ii)	13.00% NCDs issued on 20.10.2010	Not Applicable
(iii)	15.50% NCDs issued on 04.03.2011	Not Applicable
(iv)	12.00% NCDs issued on 01.02.2012	1st August, 2019 (Refer Note (iii) below)
(h)	Debt-Service Coverage Ratio (in times) for the year ended 31.03.2019 (PBDIT excluding exceptional items / (Gross Interest + Long Term Principal Repayment))	NIL in view of the negative EBITDA
(i)	Interest Service Coverage Ratio (in times) for the year ended 31.03.2019 (PBDIT excluding exceptional items / (Gross Interest))	NIL in view of the negative EBITDA
(j)	Debt Redemption Reserve (Rs. in Crore)	81.97 No further addition to these reserves on account of inadequate distributable profit
(k)	Net Worth (Rs. in Crore)	(12,922.18)
(l)	Net Profit After Tax for the year ended 31.03.2019 (Rs. in Crore)	2,282.12
(m)	Basic Earning Per share for the year ended 31.03.2019 (In Rs.)	16.67

Notes:

- (i) The ratings assigned to the above NCDs stand suspended with effect from May, 2015;
- (ii) The principal outstanding of these NCDs is secured as under:

11.50% NCDs issued on 29.06.2010	As on date there is no asset cover available for these NCDs.
13.00% NCDs issued on 20.10.2010	
15.50% NCDs issued on 04.03.2011	
12.00% NCDs issued on 01.02.2012	

- (iii) The Company has created security in respect of the above NCDs, aggregating to Rs.528.50 Crore, by way of pari passu charge on the immovable property situated at Mouje Irana, Taluka Kadi, District Mehsana in the State of Gujarat. Further, out of these, NCDs of Rs.300 Crore are secured by first pari passu charge created on fixed assets of the Company and NCDs of Rs.228.50 Crore are secured by subservient charge on the entire movable assets of the Company (excluding land and building).

For ALOK INDUSTRIES LIMITED



Sunil O. Khandelwal
(Chief Financial Officer)

K. H. Gopal
(Company Secretary)

Taken on Record

Ajay Joshi
(On behalf of the Monitoring Committee)

Place: Mumbai
Date: 14th June, 2019



Shah Gupta & Co.
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To,
The Monitoring Committee
ALOK INDUSTRIES LIMITED
Mumbai

1. We have audited the accompanying Consolidated Financial Results of **ALOK INDUSTRIES LIMITED** (the 'Holding Company') and its subsidiaries (together referred to as the 'Group') and jointly controlled entities, for the year ended March 31, 2019 (the 'Consolidated Financial Results') being submitted by the Holding Company pursuant to the requirement of Regulation 33 & 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

Preparation of these Consolidated Financial Results, which is the responsibility of the Holding Company's Management and taken on record by the Monitoring Committee (MC) of the Holding Company, have been prepared on the basis of the related Ind AS Consolidated Financial Statements which are in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules issued thereunder, as applicable, and other accounting principles generally accepted in India. Our responsibility is to express an opinion on these Consolidated Financial Results based on audit of such Ind AS Consolidated Financial Statements.

2. Auditors Responsibilities

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Results are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Results. The procedure selected depends on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Results, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation and fair presentation of the Consolidated Financial Results, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Consolidated Financial Results.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

3. Basis of Qualified Opinion

- (i) As per Indian Accounting Standard 36 on Impairments of Assets, the Holding Company is required to determine impairment in respect of fixed assets as per the methodology prescribed under the said Standard. However the Management of the Holding Company has not done impairment testing for the reasons explained in note no. 7 of the Consolidated Financial Results. In the absence of any working for impairment of the fixed assets as per Ind AS 36, the impact of impairment, if any on the Consolidated Financial Results is not ascertainable. The audit report on the Consolidated Financial Results for the year ended 31st March, 2018 was also qualified in respect of this matter.
- (ii) As mentioned in note no. 5 of the Consolidated Financial Results, the Holding Company continued to recognize deferred tax assets upto March 31, 2017, Rs. 1,423.11 crore. Considering the pending implementation of Approved Resolution Plan and absence of probable certainty and convincing evidence for



taxable income in future, as required by the Ind AS 12, we are unable to ascertain the extent to which these deferred tax assets can be utilized. The audit report on the Consolidated Financial Results for the year ended 31st March, 2018 was also qualified in respect of this matter.

- (iii) As mentioned in the note no. 9(c) of the Consolidated Financial Results, the Impairment testing of the assets of the wholly owned subsidiary, Alok Infrastructure Limited is not carried out. Therefore adequacy of the carrying value of the assets in the Consolidated Financial Results is not ascertainable.
- (iv) The Consolidated Financial Results include the Unaudited Financial Results of two subsidiary whose Ind AS Financial Statements reflect total assets of Rs. 319.13 crore as at 31st March, 2019, total revenue of Rs. 165.80 crore, net loss after tax of Rs. 49.92 crore, and total comprehensive income amounting to Rs. (49.92) crore for the year ended on that date, and Ind AS Financial Statements of two joint controlled entities whose financial results reflect Group's share of net loss is Rs. 1.08 crore as considered in the Ind AS Consolidated Financial Statements. Our opinion, in so far as it relates to the amounts included in respect of these two subsidiaries and two joint control entities, is based solely on such Unaudited Ind AS Financial Statements. We are not in a position to comment on the consequential impact, if any, arising out of subsequent audit of these entities, on the Consolidated Financial Results. Our opinion on the Consolidated Financial Results is modified in respect of our reliance on the Ind AS financial statements / financial information certified by the Management. The audit report on the Ind AS Consolidated Financial Results for the year ended 31st March, 2018 was also qualified in respect of this matter.

4. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Results:

- (i) Include the results of following entities:
- a. Subsidiaries:
- i. Alok Infrastructure Limited
 - ii. Alok Singapore Pte. Limited
 - iii. Alok International (Middle East) FZE
 - iv. Mileta, a.s. (unaudited)
 - v. Alok Industries International Limited
 - vi. Grabal Alok International Limited
 - vii. Alok Worldwide Limited
 - viii. Alok International Inc. (unaudited)
- b. Jointly Controlled Entities:
- i. New City of Bombay Mfg. Mills Limited (unaudited)
 - ii. Aurangabad Textile and Apparel Park Limited (unaudited)
- (ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
- (iii) except for the possible effects of qualification in paragraph 3 above give a true and fair view in conformity with the aforesaid Ind AS and other accounting principles generally accepted in India of the consolidated net profit, total comprehensive income and other financial information of the Group and jointly controlled entities for the year ended March 31, 2019.

5. Material Uncertainty Relating To Going Concern

We draw attention to the following matters:

- (i) We draw attention to note no. 4 of the Consolidated Financial Results, which indicate that the Holding Company recorded a total comprehensive income of Rs. 2,283.80 crore during the year, ended March 31, 2019 and, as of that date, the Holding Company's current liabilities exceeded its total assets by Rs. 12,922.18 crore. A material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern in the event the Approved Resolution Plan is not implemented.
- (ii) Independent Auditors of Alok Infrastructure Ltd in their audit report on Ind AS Financial Statements for the year ended March 31, 2019 have incorporated in their report, Material Uncertainty Related to Going Concern paragraph, as under:



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'We draw attention to note no. 9(b) of the Financial Results, which indicates that the Alok Infrastructure Ltd. incurred a net loss of Rs. 133.38 crore during the year ended March 31, 2019 and, as of that date, the Alok Infrastructure Ltd total liabilities exceeded its total assets by Rs. 919.77 crore. As stated in note no. 9(a) of the Consolidated Financial Results, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.'

Our Opinion is not qualified in respect of the above matters.

6. Other Matter

We did not audit the Ind AS Financial Statements of six subsidiaries whose financial results reflect total assets of Rs. 2,145.31 crore as at March 31, 2019, total revenues of Rs. 67.42 crore, total net loss after tax of Rs. 265.13 crore and total comprehensive income of Rs. (408.96) crore for the year ended on that date. These Ind AS Financial Statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors.

For **SHAH GUPTA & CO.**

Chartered Accountants

Firm Registration No.: 109574W



D. V. Ballal

Partner

M. No. 013107

Place : Mumbai

Date : June 14, 2019



For **NBS & Co.**

Chartered Accountants

Firm Registration No. 110100W



Devdas V. Bhat

Partner

M. No. 048094

Place : Mumbai

Date : June 14, 2019



Shah Gupta & Co.
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INDEPENDENT AUDITORS' REPORT

To,
The Monitoring Committee
ALOK INDUSTRIES LIMITED
Mumbai

1. We have audited the accompanying Statement of Standalone Financial Results of **ALOK INDUSTRIES LIMITED** (the "Company") for the quarter and year ended March 31, 2019 (the "Standalone Financial Results"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Standalone Financial Results, preparation of which is the responsibility of the Company's Management and is taken on record by the Monitoring Committee (MC), have been prepared on the basis of the related Ind AS Standalone Financial Statements which is in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules issued thereunder, as applicable, and other accounting principles generally accepted in India. Our responsibility is to express an opinion on these Standalone Financial Results based on our audit of such Ind AS Standalone Financial Statements.

2. Auditors Responsibility:

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards requires that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Financial Results are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Financial Results. The procedure selected depends on the auditor's judgement, including the assessment of the risk of material misstatement of the Standalone Financial Results, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to Company's preparation and fair presentation of Standalone Financial Results, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating overall presentation of the Standalone Financial Results.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

3. Basis of Qualified Opinion

- a) *As per Indian Accounting Standard 36 on Impairments of Assets, the Company is required to determine impairment in respect of fixed assets as per the methodology prescribed under the said Standard. However the Management of the Company has not done impairment testing for the reasons explained in note no. 7 of the Standalone Financial Results. In the absence of any working for impairment of the fixed assets as per Ind AS 36, the impact of impairment, if any on the Standalone Financial Results is not ascertainable. The audit report on the Standalone Financial Results for the year ended 31st March, 2018 was also qualified in respect of this matter.*
- b) *As mentioned in note no. 5 of the Standalone Financial Results, the Company continued to recognize deferred tax assets up to March 31, 2017, Rs. 1,423.11 crore. Pending implementation of Approved Resolution Plan and absence of probable certainty and convincing evidence for taxable income in future, as required by the Ind AS 12, we are unable to ascertain the extent to which these deferred tax assets can be utilized. The audit report on the Standalone Financial Results for the year ended 31st March, 2018 was also qualified in respect of this matter.*



(Signature)



- c) As mentioned in the note no. 9(c) of the Standalone Financial Results, the Impairment testing of the assets of the wholly owned subsidiary, Alok Infrastructure Limited is not carried out. Therefore adequacy of the Provision for doubtful loan in the books of the company is not ascertainable.

4. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in the paragraph 3 above*, the Standalone Financial Results give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income for the year ended on that date.

5. Material Uncertainty Relating to Going concern

We draw attention to the following matters:

As per note no. 4 of the Standalone Financial Results, the Company recorded a total comprehensive income of Rs. 2,283.80 crore during the year ended March 31, 2019 and, as of that date, the Company's current liabilities exceeded its total assets by Rs. 12,922.18 crores. A material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern in the event the Approved Resolution Plan is not implemented.

Our opinion is not modified in respect of the above matters.

6. The Standalone Financial Results include the results for the quarter ended March 31, 2019 and corresponding quarter ended in the previous year being the balancing figure between audited figures in respect of the full financial year and the published year to date unaudited figures up to the third quarter of the relevant financial year which were subjected to limited review by us.

For **SHAH GUPTA & CO.**

Chartered Accountants

Firm Registration No.: 109574W



D. V. Ballal

Partner

M. No. 013107

Place : Mumbai

Date : June 14, 2019

For **NBS & Co.**

Chartered Accountants

Firm Registration No. 110100W



Devdas V. Bhat

Partner

M. No. 048094

Place : Mumbai

Date : June 14, 2019

Annexure- I
Statement on Impact of Audit Qualification (for audit report with modified opinion) submitted
along-with Annual Audited Financial Results- Standalone

Statement on Impact of Audit Qualification for the Financial Year ended 31st March, 2019

I.	Sr. No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualification)
	1.	Turnover/ Total Income	3,253.08	Not applicable as not quantified
	2.	Total Expenditure	(8,016.15)	
	3.	Exceptional Items	7,045.19	
	4.	Net Profit/ (Loss)	2282.12	
	5.	Other Comprehensive Income	1.69	
	6.	Total comprehensive Income	2283.81	
	7.	Earnings Per Share	16.67	
	8.	Total Assets	17,899.85	
	9.	Total Liabilities	30,822.03	
	10.	Net Worth	(12,922.18)	
	11.	Any other Financial Item(s) (as felt appropriate by the management)	-	

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

- (i) As per Indian Accounting Standard 36 on Impairments of Assets, the Company is required to determine impairment in respect of fixed assets as per the methodology prescribed under the said Standard. However the Management of the Company has not done impairment testing for the reasons explained in note no. 7 of the Standalone Financial Results. In the absence of any working for impairment of the fixed assets as per Ind AS 36, the impact of impairment, if any on the Standalone Financial Results is not ascertainable. The audit report on the Standalone Financial Results for the year ended 31st March, 2018 was also qualified in respect of this matter.
- (ii) As mentioned in note no. 5 of the Standalone Financial Results, the Company continued to recognize deferred tax assets up to March 31, 2017, Rs. 1,423.11 crore. Pending implementation of Approved Resolution Plan and absence of probable certainty and convincing evidence for taxable income in future, as required by the Ind AS 12, we are unable to ascertain the extent to which these deferred tax assets can be utilized. The audit report on the Standalone Financial Results for the year ended 31st March, 2018 was also qualified in respect of this matter.
- (iii) As mentioned in the note no. 9(c) of the Standalone Financial Results, the Impairment testing of the assets of the wholly owned subsidiary, Alok Infrastructure Limited is not carried out. Therefore adequacy of the Provision for doubtful loan in the books of the company is not ascertainable.

b. Type of Audit Qualification : Qualified Opinion

c. Frequency of qualification:

- Audit Qualification (i) - Repetitive
 Audit Qualification (ii) - Repetitive
 Audit Qualification (iii) - Appeared for the First time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not applicable, as not quantified.

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification:

- Audit Qualification (i)** - Impact is not quantifiable
Audit Qualification (ii) - Impact is not quantifiable
Audit Qualification (iii) - Impact is not quantifiable

(ii) If management is unable to estimate the impact, reasons for the same:

Audit Qualification (i)

The Company's current level of operations, at about 30% of the capacity, may not be an indication of the future performance of the Company. Pending implementation of the Approved Resolution Plan, reliable projections of availability of future cash flows of the Company supporting the carrying value of Property, Plant and Equipment cannot be determined. Accordingly Impairment testing under Ind AS could not be performed while presenting these results.

Audit Qualification (ii)

The net deferred tax assets as on 31st March, 2019 are Rs. 1423.11 crore (Previous Year Rs. 1423.11 crore). Since reliable projections of future taxable income shall be available only when the Approved Resolution Plan is implemented, deferred tax assets for the current period and the Financial Year are presently not recognised and the net deferred tax assets as at the end of the previous financial year have been carried forward.

Audit Qualification (iii)

Alok Infrastructure Limited, Wholly owned subsidiary has not carried out any impairment testing of investment property and therefore the correct carrying value of investment property in the



financial result is unascertainable.

(iii) Auditors' Comments on above:

We accept management's comment as noted above and refer "Basis of Qualified Opinion" in the Independent Auditors' Report dated June 14, 2019 on the Standalone Financial Results of the company for the quarter and year ended March 31, 2019.

III. Signatories:

- On behalf of Monitoring Committee

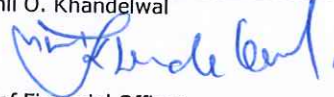
Ajay Joshi



Member of Monitoring Committee

- Chief Financial Officer

Sunil O. Khandelwal



Chief Financial Officer

- Statutory Auditor



Mr. D. V. Ballal
Partner.
Membership No. 13107
For M/s. Shah Gupta & Co., Chartered
Accountants
Firm Registration No. 109574W



Mr. Devdas Bhat
Partner
Membership No. 048094
For M/s. NBS & Co.,
Chartered Accountants
Firm Registration No. 110100W



Place: Mumbai

Date: 14th June, 2019

Annexure- II
Statement on Impact of Audit Qualification (for audit report with modified opinion) submitted
along-with Annual Audited Financial Results- Consolidated

Statement on Impact of Audit Qualification for the Financial Year ended 31st March, 2019

I.	Sr. No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualification)
	1.	Turnover/ Total Income	3,370.77	Not applicable as not quantified
	2.	Total Expenditure	(8,338.78)	
	3.	Exceptional Items	7,045.19	
	4.	Net Profit/ (Loss)	2,077.18	
	5.	Other Comprehensive Income	(149.82)	
	6.	Share of profit from joint ventures	(1.02)	
	7.	Total comprehensive Income	1,926.34	
	8.	Earnings Per Share	15.17	
	9.	Total Assets	18,016.35	
	10.	Total Liabilities	32,634.76	
	11.	Net Worth	(14,618.43)	
	12.	Any other Financial Item(s) (as felt appropriate by the management)		

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

- (i) As per Indian Accounting Standard 36 on Impairments of Assets, the Holding Company is required to determine impairment in respect of fixed assets as per the methodology prescribed under the said Standard. However the Management of the Holding Company has not done impairment testing for the reasons explained in note no. 7 of the Consolidated Financial Results. In the absence of any working for impairment of the fixed assets as per Ind AS 36, the impact of impairment, if any on the Consolidated Financial Results is not ascertainable. The audit report on the Consolidated Financial Results for the year ended 31st March, 2018 was also qualified in respect of this matter.
- (ii) As mentioned in note no. 5 of the Consolidated Financial Results, the Holding Company continued to recognize deferred tax assets upto March 31, 2017, Rs. 1,423.11 crore. Considering the pending implementation of Approved Resolution Plan and absence of probable certainty and convincing evidence for taxable income in future, as required by the Ind AS 12, we are unable to ascertain the extent to which these deferred tax assets can be utilized. The audit report on the Consolidated Financial Results for the year ended 31st March, 2018 was also qualified in respect of this matter.
- (iii) As mentioned in the note no. 9(c) of the Consolidated Financial Results, the Impairment testing of the assets of the wholly owned subsidiary, Alok Infrastructure Limited is not carried out. Therefore adequacy of the carrying value of the assets in the Consolidated Financial Results is not ascertainable.
- (iv) The Consolidated Financial Results include the Unaudited Financial Results of two subsidiary whose Ind AS Financial Statements reflect total assets of Rs. 319.13 crore as at 31st March, 2019, total revenue of Rs. 165.80 crore, net loss after tax of Rs. 49.92 crore, and total comprehensive income amounting to Rs.(49.92) crore for the year ended on that date, and Ind AS Financial Statements of two joint controlled entities whose financial results reflect Group's share of net loss is Rs. 1.08 crore as considered in the Ind AS Consolidated Financial Statements. Our opinion, in so far as it relates to the amounts included in respect of these two subsidiaries and two joint control entities, is based solely on such Unaudited Ind AS Financial Statements. We are not in a position to comment on the consequential impact, if any, arising out of subsequent audit of these entities, on the Consolidated Financial Results. Our opinion on the Consolidated Financial Results is modified in respect of our reliance on the Ind AS financial statements / financial information certified by the Management. The audit report on the Ind AS Consolidated Financial Results for the year ended 31st March, 2018 was also qualified in respect of this matter.

b. Type of Audit Qualification : Qualified Opinion

c. Frequency of qualification:

- Audit Qualification (i) - Repetitive
 Audit Qualification (ii) - Repetitive
 Audit Qualification (iii) - Appeared for the First time
 Audit Qualification (iv) - Repetitive

f. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not applicable, as not quantified.

g. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification:

Audit Qualification (i) - Impact is not quantifiable

Audit Qualification (ii) - Impact is not quantifiable



Audit Qualification (iii) - Impact is not quantifiable

Audit Qualification (iv) - Nil

(ii) If management is unable to estimate the impact, reasons for the same:

Audit Qualification (i)

The Company's current level of operations, at about 30% of the capacity, may not be an indication of the future performance of the Company. Pending implementation of the Approved Resolution Plan, reliable projections of availability of future cash flows of the Company supporting the carrying value of Property, Plant and Equipment cannot be determined. Accordingly Impairment testing under Ind AS could not be performed while presenting these results.

Audit Qualification (ii)

The net deferred tax assets as on 31st March, 2019 are Rs. 1423.11 crore (Previous Year Rs. 1423.11 crore). Since reliable projections of future taxable income shall be available only when the Approved Resolution Plan is implemented, deferred tax assets for the current period and the Financial Year are presently not recognised and the net deferred tax assets as at the end of the previous financial year have been carried forward.

Audit Qualification (iii)

Alok Infrastructure Limited, Wholly owned subsidiary has not carried out any impairment testing of investment property and therefore the correct carrying value of investment property in the financial result is unascertainable.

Audit Qualification (iv)

The two subsidiaries Alok International Inc. (parent company, Alok Industries Limited) and Mileta a.s. (parent company, Alok Infrastructure Limited) are incorporated in the United States of America (US) and the Czech Republic (Czech) respectively. The US subsidiary has not carried out any activity during the year 2018-19 under review. Since this company is effectively a defunct company, management is of the view that the audited financial statements of this subsidiary will not materially differ from the unaudited versions and hence may be relied upon. The Czech step-down subsidiary, an integrated textile company, while being operational and profit making too, is not a material subsidiary. For the year under review, the Czech subsidiary witnessed unforeseeable circumstances causing a delay of their Board Meeting beyond June 2019 for adoption of its accounts, which is permissible, being an unlisted entity. The management had to therefore consider the unaudited numbers for the purpose of consolidation. Since the Czech company is not a material subsidiary, the management is of the opinion that the unaudited financial statements of the Czech step-down subsidiary may also be relied upon. Similarly, the businesses of the two jointly controlled entities are also not material and the management is of the view that the audited financial statements of these jointly controlled entities will not materially differ from the unaudited versions and hence may be relied upon.

(iii) Auditors' Comments on above:

We accept management's comment as noted above and refer "Basis of Qualified Opinion" in the Independent Auditors' Report dated June 14, 2019 on the Consolidated Financial Results of the company for the quarter and year ended March 31, 2019.

III. Signatories:

- On behalf of Monitoring Committee

Ajay Joshi



Member of Monitoring Committee

- Chief Financial Officer

Sunil O. Khandelwal



Chief Financial Officer

- Statutory Auditor

Mr. D. V. Ballal
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Firm Registration No. 110100W



Place: Mumbai

Date: 14th June, 2019