

ALOK INDUSTRIES LIMITED

Peninsula Business Park, Tower B, 2nd & 3rd Floor, Ganpatrao Kadam Marg, Lower Parel,
August 10, 2018 Mumbai - 400 013. Tel.: 91 22 6178 7000 Fax : 91 22 6178 7118



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|---|---|
| BSE Limited Listing Department, P.J. Towers, Dalal Street, Mumbai - 400 001 Fax No.: 2272 2037 / 2272 2039 SCRIPCODE: 521070 | 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 SCRIPCODE: ALOKTEXT |
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Dear Sirs,

Sub: Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2018

This is in continuation to our letter dated August 3, 2018 informing submission of results on August 10, 2018.

As you are aware that the Company is under CIR Process and in terms of the Order of Hon'ble NCLT, Ahmedabad dated 18th July, 2017, the powers of the Board of Directors are suspended and are vested in the Resolution Professional.

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, 2018;
2. Statement of Assets and Liabilities as at the end of the financial year ended on March 31, 2018; and
3. Independent Auditors' Report on the Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2018. 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, 2018.

Statement on Impact of Audit Qualifications

With regard to qualifications appearing in the Auditors Report, the explanations have been given in Point Nos.4 & 7 of the notes to financial results which are reproduced below:

4. *The net deferred tax assets as on 31 March 2018 is Rs. 1423.11 crores (Previous Year Rs. 1423.11 crores). The Resolution Plan for the Company is under consideration of the Adjudicating Authority. Reliable projections of future taxable income, therefore, shall be available only when the Resolution Plan is implemented. Accordingly, 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 has been carried forward.*
7. *The Company current level of operations, at about 30% of the capacity, may not be an indication of the future performance of the Company. A Resolution Plan for revival of the Company is under consideration of the Adjudicating Authority. Therefore, until a resolution plan has been implemented, reliable projections of availability of future cash flows of the Company supporting the carrying value of Property, Plant and Equipment cannot be determined, hence are not available. Accordingly Impairment testing under Ind AS has not been performed while presenting these results."*

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Mumbai - 400 013. Tel.: 91 22 6178 7000 Fax : 91 22 6178 7118



The Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2018 were certified by the Chief Financial Officer and Company Secretary and the same were taken on record by the Resolution Professional at the meeting held on 10th August, 2018.

The meeting commenced at 3.00 p.m. and concluded at 10.00 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.

Thanking you.

Yours truly,
For Alok Industries Limited

K. H. Gopal
Company Secretary

ALOK INDUSTRIES LIMITED
CIN no.L17110DN1986PLC000334

Regd Office : 17/5/1, 521/1 Village Rakholi / Sayli, Silvassa - 396230 Union Territory of Dadra and Nagar Haveli

| Statement of Standalone and Consolidated Audited Financial Results for the Quarter and Year ended 31 March 2018 | | | | | | | Rs in crores (except EPS) | |
|---|---|-------------------------|---------------------------|-------------------------|-------------------------|-------------------------|---------------------------|-------------------------|
| Sr No | Particulars | Standalone | | | Year ended | | Consolidated | |
| | | Quarter ended | | 31.03.2017 (Audited) | Year ended | | Year ended | |
| | | 31.03.2018 (Audited) | 31.12.2017 (Unaudited) | | 31.03.2018 (Audited) | 31.03.2017 (Audited) | 31.03.2018 (Audited) | 31.03.2017 (Audited) |
| 1 | Income | | | | | | | |
| | a) Revenue from Operations (refer note 5) | 841.81 | 952.35 | 2,415.94 | 5,381.95 | 8,326.06 | 5,562.08 | 8,919.43 |
| | b) Other Income | 106.35 | 24.45 | 47.92 | 236.31 | 165.69 | 256.61 | 65.58 |
| | Total Income | 948.16 | 976.80 | 2,463.86 | 5,618.26 | 8,491.75 | 5,818.69 | 8,985.01 |
| 2 | Expenses | | | | | | | |
| | a) Cost of materials consumed | 552.79 | 597.34 | 2,564.57 | 5,187.42 | 7,458.70 | 5,278.74 | 7,688.36 |
| | b) Purchase of stock in trade | - | - | - | - | - | 8.55 | 36.98 |
| | c) Changes in inventories of finished goods, stock in trade and work-in-progress | (30.83) | 76.51 | 66.47 | (26.22) | 93.55 | (2.62) | 214.78 |
| | d) Excise Duty (refer note 5) | - | - | - | 48.33 | 196.38 | 48.33 | 196.38 |
| | e) Employee benefits expense | 63.76 | 70.09 | 78.94 | 275.68 | 283.31 | 323.20 | 329.07 |
| | f) Finance costs (refer note 8) | 1,041.74 | 838.08 | 816.01 | 4,682.87 | 3,273.52 | 4,711.33 | 3,441.80 |
| | g) Depreciation and amortisation expense | 140.37 | 126.88 | (208.16) | 527.81 | 512.63 | 544.61 | 560.71 |
| | h) Other expenses | 237.26 | 291.72 | 299.88 | 980.08 | 1,124.83 | 1,085.53 | 1,452.64 |
| | i) Bad debts written off (refer note 6) | - | 585.51 | - | 585.51 | - | 878.26 | - |
| | j) Provision for doubtful debts and advances (refer note 6) | 253.77 | 3,136.00 | 270.87 | 11,561.20 | 1,174.82 | 11,509.91 | 457.15 |
| | Total expenses | 2,258.85 | 5,722.13 | 3,888.58 | 23,822.68 | 14,117.74 | 24,385.84 | 14,377.87 |
| 3 | Loss before share of profit / (loss) of Joint ventures and associates, exceptional items and tax (1-2) | (1,310.69) | (4,745.33) | (1,424.72) | (18,204.42) | (5,625.99) | (18,567.15) | (5,392.86) |
| 4 | Share of profit/(loss) from associates and joint ventures | - | - | - | - | - | (0.48) | (11.11) |
| 5 | Loss before exceptional items and tax (3-4) | (1,310.69) | (4,745.33) | (1,424.72) | (18,204.42) | (5,625.99) | (18,567.63) | (5,403.97) |
| 6 | Exceptional items | - | - | - | - | - | - | - |
| 7 | Loss before tax (5-6) | (1,310.69) | (4,745.33) | (1,424.72) | (18,204.42) | (5,625.99) | (18,567.63) | (5,403.97) |
| 8 | Tax expense (Refer note no. 4) | | | | | | | |
| | (i) Current Tax | - | - | (29.18) | - | (29.18) | 15.79 | (27.88) |
| | (ii) Deferred Tax | (4.66) | - | (489.62) | (4.66) | (2,094.38) | (5.36) | (2,292.97) |
| | (iii) Provision for tax in respect of earlier years | 18.46 | - | - | 15.85 | - | - | - |
| | Total Tax expense | 13.80 | - | (518.80) | 11.19 | (2,123.56) | 10.43 | (2,320.85) |
| 9 | Net Loss for the period | (1,324.49) | (4,745.33) | (905.92) | (18,215.61) | (3,502.43) | (18,578.06) | (3,083.12) |
| 10 | Other comprehensive income / (loss) | | | | | | | |
| | A (a) Items that will not be reclassified to profit or loss | 13.46 | - | 0.43 | 13.46 | (0.38) | 13.46 | 85.12 |
| | (b) Income tax on (a) above | (4.66) | - | - | (4.66) | 0.13 | (4.66) | (0.06) |
| | B (a) Items that will be reclassified to profit or loss | - | - | - | - | - | 2.26 | - |
| | (b) Income tax on (a) above | - | - | - | - | - | - | - |
| | Total other comprehensive income / (loss) | 8.80 | - | 0.43 | 8.80 | (0.25) | 11.06 | 85.06 |
| 11 | Total comprehensive Loss (9 - 10) | (1,315.69) | (4,745.33) | (905.49) | (18,206.81) | (3,502.68) | (18,567.00) | (2,998.06) |
| 12 | Paid up Equity Share Capital (Face Value Rs.10/- per equity share) | 1,368.63 | 1,357.87 | 1,357.87 | 1,368.63 | 1,357.87 | 1,368.63 | 1,357.87 |
| 13 | Other Equity (excluding Revaluation Reserve) | - | - | - | (16,569.17) | 1,637.86 | (18,045.80) | 331.48 |
| 14 | Earnings per share (of Rs.10 each) : | | | | | | | |
| | Basic (Rs.) | (9.75) | (34.95) | (6.67) | (134.14) | (25.79) | (136.81) | (22.71) |
| | Diluted (Rs.) | (9.75) | (34.95) | (6.67) | (134.14) | (25.79) | (136.81) | (22.71) |
| | * - Not annualised | | | | | | | |

See accompanying notes to the financial results



Standalone and Consolidated Statement of Assets and Liabilities

(Rs. in crores)

| Particulars | Standalone | | Consolidated | |
|--|--------------------|--------------------|--------------------|--------------------|
| | As At 31-Mar-18 | As At 31-Mar-17 | As At 31-Mar-18 | As At 31-Mar-17 |
| | Audited | Audited | Audited | Audited |
| ASSETS | | | | |
| (1) Non-current assets | | | | |
| (a) Property, Plant and Equipment | 15,125.29 | 15,633.23 | 15,221.86 | 15,857.12 |
| (b) Capital work-in-progress | | | 4.45 | 6.08 |
| (c) Investment Property | 8.06 | 24.96 | 838.71 | 902.80 |
| (d) Other Intangible assets | 1.03 | 3.56 | 2.25 | 3.04 |
| (e) Financial Assets | | | | |
| (i) Investments | 92.43 | 110.36 | 94.61 | 184.13 |
| (ii) Loans | 942.33 | 1,002.11 | 5.61 | 8.30 |
| (iii) Others | 149.91 | 260.06 | 149.91 | 260.06 |
| (f) Deferred tax Assets (net) | 1,423.11 | 1,423.11 | 1,226.30 | 1,225.59 |
| (g) Current tax assets (net) | 36.08 | 7.80 | 38.87 | 12.06 |
| (h) Other non-current assets | 38.38 | 39.75 | 57.27 | 59.74 |
| | 17,816.62 | 18,504.94 | 17,639.84 | 18,518.91 |
| (2) Current Assets | | | | |
| (a) Inventories | 358.78 | 3,210.60 | 508.85 | 3,329.67 |
| (b) Financial assets | | | | |
| (i) Trade receivables (refer note 6) | 207.36 | 9,940.46 | 309.93 | 10,069.74 |
| (ii) Cash and cash equivalents | 31.49 | 72.61 | 54.63 | 90.52 |
| (iii) Bank balances other than (iii) above | 12.17 | 7.53 | 12.17 | 7.53 |
| (iv) Loans | - | 487.61 | 0.74 | 81.44 |
| (v) Others | 2.64 | 7.95 | 2.87 | 4.95 |
| (c) Other Current Assets | 148.94 | 130.47 | 171.36 | 603.21 |
| | 761.38 | 13,857.23 | 1,060.56 | 14,187.05 |
| TOTAL ASSETS | 18,578.00 | 32,362.17 | 18,700.40 | 32,705.96 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| (a) Equity Share capital | 1,368.63 | 1,357.87 | 1,368.63 | 1,357.87 |
| (b) Other equity | (16,569.17) | 1,637.86 | (18,045.80) | 331.48 |
| | (15,200.54) | 2,995.73 | (16,677.17) | 1,689.35 |
| LIABILITIES | | | | |
| (1) Non-current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 7,123.22 | 8,956.14 | 7,367.16 | 9,261.76 |
| (b) Provisions | 35.68 | 36.97 | 35.70 | 37.24 |
| (c) Current tax Liabilities (net) | 121.53 | 77.63 | 121.53 | 77.63 |
| (d) Other non-current liabilities | - | - | 0.02 | 0.02 |
| | 7,280.43 | 9,070.74 | 7,524.41 | 9,376.64 |
| (2) Current Liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 17,145.70 | 13,390.33 | 17,845.92 | 14,182.71 |
| (ii) Trade payables | | | | |
| - Dues to micro and small enterprises | 11.91 | 12.55 | 11.91 | 12.55 |
| - Dues to Others | 774.34 | 1,032.60 | 1,051.18 | 1,443.68 |
| (iii) Other financial liabilities | 8,214.89 | 5,388.77 | 8,510.52 | 5,699.78 |
| (b) Other current liabilities | 345.69 | 463.47 | 426.71 | 292.12 |
| (c) Provisions | 5.58 | 7.98 | 6.88 | 9.12 |
| | 26,498.11 | 20,295.70 | 27,853.12 | 21,639.96 |
| TOTAL EQUITY AND LIABILITIES | 18,578.00 | 32,362.17 | 18,700.40 | 32,705.96 |



Notes :

| | |
|----|---|
| 1 | <p>Alok Industries Limited ("Company") was admitted under the corporate insolvency resolution ("CIR") process in terms of the Insolvency and Bankruptcy Code, 2016 ("Code"), vide an order dated 18 July 2017 of the Hon'ble National Company Law Tribunal, Ahmedabad ("Adjudicating Authority"). Pursuant to the said order, Mr. Ajay Joshi was appointed as the interim resolution professional for the Company and was subsequently confirmed as the resolution professional ("RP"). During the CIR process, only one resolution plan ("Resolution Plan") was received from JM Financial Asset Reconstruction Company Limited, JM Finance ARC Trust and Reliance Industries Limited jointly ("Resolution Applicants"). This Resolution Plan was not approved by the Committee of Creditors ("COC") with the requisite majority as required then under Section 30 (4) of the Code (which was 75% of assenting voting share). Under the provisions of the Code, the RP filed a liquidation application on 16th April, 2018 before the Adjudicating Authority.</p> <p>Pursuant to promulgation of the Insolvency and Bankruptcy (Amendment) Ordinance dated 6 June 2018 ("Ordinance"), the voting threshold for approval of Resolution Plan was reduced from 75% to 66%. The Adjudicating Authority in an application by Alok Employees Benefit & Welfare Trust passed an order dated 11 June 2018 directing the COC to re-look and consider the Resolution Plan as per the Ordinance. Accordingly, in compliance with the said order, the Resolution Plan submitted jointly by the Resolution Applicants was again placed before the COC for approval under Section 30 (4) of the Code (as amended by the Ordinance). The Resolution Plan was approved by the COC with 72.192% assenting voting share. Subsequently, vide its order dated 25th June, 2018, the Adjudicating Authority granted liberty to the RP to withdraw the liquidation application filed by it and file an application for approval of Resolution Plan. Accordingly, the RP withdrew the liquidation application and filed the resolution plan for approval of the Adjudicating Authority. Vide an order dated 17 July 2018, the Adjudicating Authority dismissed the liquidation application. The application filed by the RP for approval of Resolution Plan is currently pending adjudication by the Adjudicating Authority.</p> <p>Post the commencement of the CIR process, the Company is continuing to operate as a going concern in terms of the Code. Currently, the application for approval of the Resolution Plan is pending with the Adjudicating Authority and therefore the financial statements are being presented on a going concern basis.</p> |
| 2 | <p>Certain financial creditors of the Company have filed various applications before the Adjudicating Authority as well as the Hon'ble National Company Law Appellate Tribunal, New Delhi ("Appellate Tribunal"), inter alia, challenging the Resolution Plan of the Company. These applications are pending adjudication by the respective tribunals. In the event, the Adjudicating Authority/Appellate Tribunal (or any subsequent appeals) result in the rejection of the Resolution Plan, the Company may be ordered to be liquidated by the Adjudicating Authority/Appellate Tribunal/subsequent appellate authority.</p> |
| 3 | <p>During the quarter, the Company has incurred a net loss of Rs. 1310.69 crores and as of 31 March 2018, the Company's accumulated losses amounted to Rs. 17943.92 crores, as against the Company's Net worth of Rs. 2995.74 crore as at 31 March 2017. Total liabilities of the Company as on 31 March 2018 exceeded total assets by Rs. 15200.54 crores.</p> |
| 4 | <p>The net deferred tax assets as on 31 March 2018 is Rs. 1423.11 crores (Previous Year Rs. 1423.11 crores). The Resolution Plan for the Company is under consideration of the Adjudicating Authority. Reliable projections of future taxable income, therefore, shall be available only when the Resolution Plan is implemented. Accordingly, 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 has been carried forward.</p> |
| 5 | <p>Revenue from operations for the period up to 30 June 2017 included excise duty, which is discontinued with effect from 01 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 quarter and year ended 31 March 2018, is not comparable to the corresponding previous periods.</p> |
| 6 | <p>During the financial year, the Company discontinued its business of trading in fabrics with effect from 01 July 2017. The Management has informed the RP that the trading business with a highly fragmented customer base experienced significant tightening of liquidity and has resulted into continuing payment defaults by customers. The Company has written off Rs. 585.51 crores and made provision for the entire balance amount of outstanding trading debtors of Rs. 10,952.51 crores during the year as per the Accounting policy followed by the Company.</p> <p>In compliance with his duties under the Code, the RP has made an application under Section 60(5) seeking directions of the Adjudicating Authority for further steps in this matter. The said application is currently pending adjudication before the Adjudicating Authority.</p> |
| 7 | <p>The Company current level of operations, at about 30% of the capacity, may not be an indication of the future performance of the Company. A Resolution Plan for revival of the Company is under consideration of the Adjudicating Authority. Therefore, until a resolution plan has been implemented, reliable projections of availability of future cash flows of the Company supporting the carrying value of Property, Plant and Equipment cannot be determined, hence are not available. Accordingly Impairment testing under Ind AS has not been performed while presenting these results.</p> |
| 8 | <p>Since the Resolution Plan for the Company has not been approved yet by the Adjudicating Authority, interest on borrowings has continued to be accrued in the accounts. Further, various other items of the balance sheet can also undergo a change based on the final decision of the Adjudicating Authority.</p> |
| 9 | <p>a) On 06 June 2018 Axis Bank Limited had filed a petition before the Hon'ble National Company Law Tribunal, Mumbai Bench to admit the application and pass an order for initiating CIR Process against Alok Infrastructure Limited ("Alok Infra"), a wholly owned subsidiary of the company, under the Insolvency and Bankruptcy Code, 2016. The matter is now listed for 29 August 2018 and therefore the financial statements are being presented on a 'Going Concern' Basis.</p> <p>b) During the year, Alok Infra has incurred a net loss of Rs. 213.72 crores and as on 31 March 2018, the accumulated losses amounted to Rs. 863.13 crores as against Alok Infra's negative Net worth of Rs. 572.67 crores as at 31 March 2017. Total liabilities of as on 31 March 2018 exceeded total assets by Rs. 786.38 crores.</p> |
| 10 | <p>During the year, Alok Global Trading (Middle East) FZE, a wholly owned subsidiary of the Company, closed down with effect from 12 September 2017. Grabal Alok (UK) Limited, a step down subsidiary of the Company, went under liquidation process in the United Kingdom with effect from 10 July 2017.</p> |
| 11 | <p>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 year necessitating any changes in Operating Segment.</p> |
| 12 | <p>The above results were certified by Chief Financial Officer and Company Secretary and taken on record by the Resolution Professional at meeting held on 10 August 2018.</p> |
| 13 | <p>The figures of previous period have been reclassified / regrouped, wherever necessary, to correspond with those of the current period.</p> |

By order of the Board
For ALOK INDUSTRIES LIMITED



Sunil O. Khandelwal
(Chief Financial Officer)

K. N. Gopal
(Company Secretary)

Taken on Record

Ajay Joshi
(Resolution Professional)



Place: Mumbai
Date: 10 August 2018

AJAY JOSHI
Insolvency Professional
IP REG. No. IBBI/IPA-003/
IP-N00019/2017-2018/10166

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Chartered Accountants
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Independent Auditors' Report

To
Resolution Professional
ALOK INDUSTRIES LIMITED
Mumbai

1. We have audited the accompanying **Standalone Financial Results** of **Alok Industries Limited** (the 'Company') for the year ended March 31, 2018 (the 'Standalone Financial Results') being submitted by the Company pursuant to the requirement 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.

These Standalone Financial Results, which are the responsibility of the Company's Management and approved by the Resolution Professional, have been prepared on the basis of the related Standalone 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 Standalone Financial Results based on our audit of such standalone Financial Statements.

2. 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 Standalone Financial Results are free of 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 risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Standalone 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 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

- (i) As per Ind AS 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 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.
- (ii) As mentioned in note no. 4 of the Financial Results, the Company continued to recognise deferred tax assets upto March 31, 2017, Rs. 1423.11 crore. Considering the pending NCLT approval for 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.



4. 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 Ind AS 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, 2018, and its loss, total comprehensive loss for the year ended on that date.
5. We draw attention to the following matters:
- (i) As per note no. 3 of the Financial Results, which indicates that the Company incurred a total comprehensive loss of Rs. 18,206.81 crores during the year ended March 31, 2018 and, as of that date, the Company's current liabilities exceeded its total assets by Rs. 15,200.54 crores. As stated in note no. 1 of the Financial Results, these events or conditions, along with other matters as set forth in note no. 2 of the Financial Results, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.
- (ii) On the basis of the facts mentioned in note no. 6 of the Financial Results, we are unable to comment on the possible impact on financial statements, related disclosures and our reporting thereon, if any, regarding the said transactions until the final conclusion of the matter.

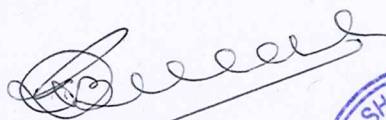
Our opinion is not modified in respect of the above matters.

6. The Standalone Financial Results include the results for the quarter ended March 31, 2018 and corresponding quarter ended in 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 subject to limited review by us.

For **SHAH GUPTA & CO.**

Chartered Accountants

Firm Registration No.: 109574W



D. V. Ballal

Partner

M. No. 13107

Place : Mumbai

Date : August 10, 2018



For **NBS & Co.**

Chartered Accountants

Firm Registration No. 110100W



Devdas V Bhat

Partner

M. No. 48094

Place : Mumbai

Date : August 10, 2018



Shah Gupta & Co.
Chartered Accountants
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Independent Auditors' Report

To,
Resolution Professional
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') its associates and jointly controlled entities, for the year ended March 31, 2018 (the 'Consolidated Financial Results') being submitted by the Holding Company pursuant to the requirement 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.

Preparation of these Consolidated Financial Results, which is the responsibility of the Holding Company's Management and approved by the Resolution Professional of the Holding Company (the 'RP'), 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. 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 of 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 qualified audit opinion.

3. Basis of Qualified Opinion

- (i) As per Ind AS 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 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.
- (ii) As mentioned in note no. 4 of the Financial Results, the Holding Company continued to recognise deferred tax assets upto March 31, 2017, Rs. 1423.11 crore. Considering the pending NCLT approval for 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.



(iii) *The Consolidated Financial Results include the Unaudited Financial Results of two subsidiaries whose Ind AS Financial Statements reflect total assets of Rs. 380.37 crores as at 31st March, 2018, total revenue of Rs. 182.10 crores, net cash outflows amounting to Rs. 0.57 crores, net loss after tax of Rs. 464.61 crores, and total comprehensive loss amounting to Rs. 464.61 crores for the year ended on that date, 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 subsidiaries, 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, 2017 was also qualified in respect of this matter.*

4. 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 Ltd
- ii. Alok Singapore Pte. Ltd.
- iii. Alok International (Middle East) FZE
- iv. Alok Global Trading (Middle East) FZE
- v. Mileta, a.s. (unaudited)
- vi. Alok Industries International Limited
- vii. Grabal Alok International Limited
- viii. Alok Worldwide Limited
- ix. Alok International Inc. (unaudited)

b. Jointly Controlled Entities:

- i. New City of Bombay Mfg. Mills Ltd.
- ii. Aurangabad Textile and Apparel Park Ltd

(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

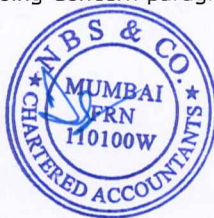
(iii) *except for the possible effects of qualification in paragraph 3 above* give a true and fair view in conformity with the aforesaid Ind AS and other accounting principles generally accepted in India of the consolidated net loss, total comprehensive loss and other financial information of the Group and joint controlled entities for the year ended March 31, 2018.

5. We draw attention to the following matters:

(i) We draw attention to note no. 3 of the Financial Results, which indicate that the Holding Company incurred a net loss of 18,206.81 crores during the year ended March 31, 2018 and, as of that date, the Company's current liabilities exceeded its total assets by Rs. 15,200.54 crores. As stated in note no. 1 of the Financial Results, these events or conditions, along with other matters as set forth in note no. 2 of the Financial Results, indicate that a material uncertainty exists that may cast significant doubt on the Holding Company's ability to continue as a going concern.

(ii) On the basis of the facts mentioned in note no. 6 of the Financial Results, we are unable to comment on the possible impact on financial statements, related disclosures and our reporting thereon, if any, regarding the said transactions until the final conclusion of the matter.

(iii) Independent Auditors of Alok Infrastructure Ltd in their audit report on Ind As Financial Statements for the year ended March 31, 2018 have incorporated in their report, Material Uncertainty Related to Going Concern paragraph, as under:



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. 213.72 crore during the year ended March 31, 2018 and, as of that date, the Alok Infrastructure Ltd total liabilities exceeded its total assets by Rs. 786.38 crore. As stated in note no 9(a) of the Financial Results, these events or conditions, along with other matters as set forth in note no. 9(b) of the Financial Results, 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. We did not audit the Ind AS Financial Statements of seven subsidiaries whose financial results reflect total assets of Rs. 2225.97 crores as at March 31, 2018, total revenues of Rs. 512.37 crores, total net loss after tax of Rs. 62.64 crores and total comprehensive loss of Rs. 66.76 crores 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. 0.49 crores as considered in the Consolidated Financial Results. 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 and joint controlled entities 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.: 13107

Place: Mumbai

Date: August 10, 2018



For **NBS & Co.**

Chartered Accountants

Firm Registration No- 110100W



Devdas V Bhat

Partner

M. No. 48094

Place: Mumbai

Date: August 10, 2018

