Independent Auditors' Report

To,
The Board of Directors
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, 2017 (the '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.

Preparation of these Financial Results, which is the responsibility of the Company's Management and approved by the Board of Directors, have been prepared on the basis of the related Standalone Ind AS Financial Statements which is 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 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 Financial Results are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the 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 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 Financial Results.

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

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

(i) 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

(ii) give a true and fair view in conformity with the aforesaid Ind AS and other accounting principles generally accepted in India of the net loss, total comprehensive income and other financial information for the year ended March 31, 2017.

4. Attention is invited to following:

(i) Note No. 4(a) regarding a subsequent rectification in the fair valuation of fixed assets by the approved value as at the date of transition (April 4, 2015) resulting in increase in fair value of fixed assets by Rs. 2,333 crores and retained earnings on the date of transition by Rs. 1,952 crores (Net of deferred tax).

(ii) Note No. 4(b) regarding reversal of excess depreciation of Rs 335.48 crores charged in the previous three quarters and reversed in the quarter ended March 31, 2017 for the reasons stated in the Note.

(iii) Note No. 5 regarding preparation of accounts by the Company on 'Going Concern' basis due to revival plan being considered by the Lenders of the Company involving restructuring of debts of the Company.
(iv) Note No. 6 of the Financial Results regarding recognition of net deferred tax asset of Rs. 1,423.11 crores on the basis of concrete measures taken by the Holding Company for ramping up operations and enhancing operating efficiency. The Company is reasonably certain that there would be sufficient taxable income in future to offset the deferred tax asset, considering timely infusion of working capital, running order book position, reliability of raw material supply and the technical viability report prepared by recognized industry experts.

(v) Note No. 7 of the Financial Results regarding realisable value of current assets and non-current assets after necessary provisions/write offs. In absence of technical and costing evaluation of these assets, impact of impairment, if any, on their economic value could not be ascertained.

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

5. The Financial Results include the results for the quarter ended March 31, 2017 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 current financial year which were subject to limited review by us.