

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 August 2019

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

Sub: Approval of the un-audited financial results for quarter ended June 30,2019.

We request you to refer our letter of 7th August, 2019 informing you about the meeting of the Monitoring Committee of the Company scheduled on 14th August, 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 and other applicable regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the Regulations), we are submitting the following documents:

1. Un-audited Financial Results (Standalone and Consolidated) for the quarter ended June 30, 2019 and limited review for the quarter ended June 30, 2019.
2. The Monitoring Committee decided to adjourn 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.

With regard to the qualifications appearing in the Auditors Report (Standalone and Consolidated), explanations are as under:

Auditors Report - Clause 3 (a):

"As per Indian Accounting Standard 36 on Impairments of Assets, the Parent is required to determine impairment in respect of fixed assets as per the methodology prescribed under the said Standard. However the Management of the Parent has not done impairment testing for the reasons explained in note no. 6. 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, 2019 was also qualified in respect of this matter."

Management Response:

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.

Auditors Report - Clause 3 (b):

"As mentioned in note no. 5 of the Consolidated Financial Results, the Parent 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 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, 2019 was also qualified in respect of this matter."

Management Response:

The net deferred tax assets as on 30th June, 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 are presently not recognised and the net deferred tax assets as at the end of the previous financial year have been carried forward.

Auditors Report - Clause 3 (c):

"As mentioned in the note no. 9 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. The audit report on the Consolidated Financial Results for the year ended 31st March, 2019 was also qualified in respect of this matter."

Management Response:

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"). During the quarter ended, Alok Infra has incurred a net loss of Rs. 2.19 crore. The Company's accumulated losses amounted to Rs. 998.69 crore. Total liabilities as on 30th June, 2019 exceeded total assets by Rs. 921.96 crore. 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.

Auditors Report - Clause 5 (i)- Material Uncertainty Relating to Going concern

"We draw attention to note no. 4 of the Consolidated Financial Results, which indicate that the Parent recorded a total comprehensive income of Rs. (66.93) crore during the quarter ended June 30, 2019 and, as of that date, the Parent current liabilities exceeded its total assets by Rs. 12,986.77 crore. As stated in note no. 1 and 2 of the Consolidated Financial Results, these events or conditions, along with other matters as set forth in note no. 3 of the Consolidated Financial Results, indicate that a material uncertainty exists that may cast significant doubt on the Parent ability to continue as a going concern."

Management Response:

The Approved Resolution Plan provides for injection of sufficient funds for meeting the working capital requirements and capex requirements. Once the implementation of the approved resolution plan is completed, the Company will progressively resume normalcy in operations.

Auditors Report - Clause 5 (ii) - Material Uncertainty Relating to Going concern

"We draw attention to note no. 9(b) of the Financial Results, which indicates that the Alok Infrastructure Limited incurred a net loss of Rs. (2.19) crore during the quarter ended June 30, 2019 and, as of that date, the Alok Infrastructure Limited total liabilities exceeded its total assets by Rs. 921.96 crore. As stated in note no. 9(a) of the Consolidated 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."

Management Response:

Alok Infrastructure Limited (AInfra) was admitted to corporate insolvency proceeding on 24th October 2018. The Resolution Professional of AInfra has, however, filed an application under Section 12A of the Insolvency and Bankruptcy Code, 2016 for withdrawal of insolvency proceedings and the same is yet to be adjudicated upon by the appropriate authority. In the event the withdrawal is then permitted, the new management of the Holding Company, post implementation of the Approved Resolution Plan, is expected to take suitable measures including restructuring etc. as provided in the Approved Resolution Plan. If the CIR Process is ordered to be continued by the Hon'ble NCLT then the Resolution Professional shall decide further course of action in this regard.

The meeting commenced at 2:00 p.m. and concluded at 7.15 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 Unaudited Standalone Financial Results for the Quarter Ended 30th June 2019 and Unaudited Consolidated Financial Results for the Quarter Ended 30th June 2019

Rs in Crore (except EPS)

Sr No	Particulars	Standalone				Consolidated			
		30.06.2019 (Unaudited)	Quarter ended 31.03.2019 (Audited)	30.06.2018 (Unaudited)	Year Ended 31.03.2019 (Audited)	30.06.2019 (Unaudited)	Quarter ended 31.03.2019 (Audited)	30.06.2018 (Unaudited)	Year Ended 31.03.2019 (Audited)
1	Income								
	a) Revenue from Operations	817.38	770.52	786.50	3,128.76	866.63	810.15	895.66	3,352.24
	b) Other Income	65.19	45.55	1.67	124.32	15.91	2.46	10.14	18.53
	Total Income	882.57	816.07	788.17	3,253.08	882.54	812.61	905.80	3,370.77
2	Expenses								
	a) Cost of materials consumed	532.35	517.50	521.76	2,105.77	547.13	530.37	587.91	2,215.54
	b) Purchase of Stock in Trade	-	-	-	-	1.61	1.64	1.99	8.82
	c) Changes in inventories of finished goods and work-in-progress	3.68	(7.73)	7.61	45.51	9.74	(3.95)	12.70	49.91
	d) Employee benefits expense	56.25	64.94	65.07	252.95	69.01	75.75	77.83	300.89
	e) Finance costs (refer note no. 8)	12.94	868.93	1,046.23	4,158.00	16.92	909.77	1,081.96	4,308.74
	f) Depreciation and amortisation expense	139.44	132.74	133.15	533.17	142.99	136.49	136.77	549.51
	g) Other expenses	210.09	153.08	211.97	892.83	221.12	258.87	224.82	958.93
	h) Bad debts written off	0.15	-	-	-	0.01	-	-	-
	i) Provision for doubtful debts and advances	(5.40)	26.87	-	28.82	(5.31)	(54.81)	(0.51)	(52.68)
	Total expenses	949.50	1,756.33	1,985.79	8,017.05	1,003.22	1,854.13	2,123.47	8,339.66
3	Loss from operations before Share of profit/(loss) of Joint Ventures, exceptional items and tax (1-2)	(66.93)	(940.26)	(1,197.62)	(4,763.97)	(120.68)	(1,041.52)	(1,217.67)	(4,968.89)
4	Share of profit/(loss) from joint ventures	-	-	-	-	(0.26)	(0.24)	(0.26)	(1.02)
5	Loss before exceptional items and tax (3 - 4)	(66.93)	(940.26)	(1,197.62)	(4,763.97)	(120.94)	(1,041.76)	(1,217.93)	(4,969.91)
6	Exceptional Items	-	7,045.19	-	7,045.19	-	7,045.19	-	7,045.19
7	Profit / (Loss) before tax (5 - 6)	(66.93)	6,104.93	(1,197.62)	2,281.22	(120.94)	6,003.43	(1,217.93)	2,075.28
8	Tax expense								
	(i) Current Tax	-	-	-	-	-	(0.03)	-	0.86
	(ii) Deferred Tax	-	(0.91)	-	(0.91)	-	(1.74)	-	(1.74)
	(iii) Provision for tax in respect of earlier years	-	-	-	-	-	-	-	-
	Total Tax expense	-	(0.91)	-	(0.91)	-	(1.77)	-	(0.88)
9	Net Profit / (Loss) for the period (7-8)	(66.93)	6,105.84	(1,197.62)	2,282.13	(120.94)	6,005.20	(1,217.93)	2,076.16
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	-	2.60	-	2.60	-	2.60
	(b) Income tax on (a) above	-	(0.91)	-	(0.91)	-	(0.91)	-	(0.91)
	(ii) (a) Items that will be subsequently reclassified to profit or loss								
	(b) Income tax on (a) above	-	-	-	-	(6.01)	(11.41)	68.80	80.19
	Total Other comprehensive income	-	1.69	-	1.69	11.36	23.25	(129.99)	(149.82)
11	Total comprehensive Income (9+10)	(66.93)	6,107.53	(1,197.62)	2,283.82	(109.58)	6,028.45	(1,347.92)	1,926.34
12	Paid up Equity Share Capital (Face Value Rs.10/- per equity share)	1,368.64	1,368.64	1,368.64	1,368.64	1,368.64	1,368.64	1,368.64	1,368.64
13	Other Equity (excluding Revaluation Reserve)	-	-	-	(14,290.82)	-	-	-	(15,962.97)
14	Earnings per share (EPS) (of Rs.10 each) :								
	Basic (Rs.)	(0.49)	44.90	(8.81)	16.67	(0.89)	44.16	(8.96)	15.17
	Diluted (Rs.)	(0.49)	44.90	(8.81)	16.67	(0.89)	44.16	(8.96)	15.17

* - Not annualised



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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.
- 2 The Implementation of the Approved Resolution Plan is yet to commence. Upon implementation of the Approved Resolution Plan, inter alia:
 - A 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.
 - B 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.
 - C Issuance of Securities - Reliance Industries Limited (RIL) will infuse (i) INR 250 crore into the Company against issuance of 83,33,33,333 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 JMFAARC-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.
 - D 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%.
- 3 Certain creditors of the Company have filed petitions with the Hon'ble National Company Law Appellate Tribunal, New Delhi and Hon'ble NCLT, Ahmedabad, inter alia, praying for certain reliefs the same are pending for adjudication.
- 4 The Company has recorded a total comprehensive income of Rs. (66.93) Crore during the quarter, The Company's accumulated losses amounted to Rs. 15,725.45 Crore. Total liabilities of the Company as on 31st March, 2019 exceeded total assets by Rs. 12,986.77 Crore.
- 5 The net deferred tax assets as on 30th June, 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 are presently not recognised and the net deferred tax assets as at the end of the previous financial year have been carried forward.
- 6 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.
- 7 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.
- 8 Since the Resolution Plan for the company has been approved by the Adjudicating Authority, interest on borrowings as per claims admitted for the quarter ended 30th June, 2019 has not been accrued.
- 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 quarter ended, Alok Infra has incurred a net loss of Rs. 2.19 crore. The Company's accumulated losses amounted to Rs. 998.69 crore. Total liabilities as on 30th June, 2019 exceeded total assets by Rs. 921.96 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 Group has adopted Ind AS 116 'Leases' effective 1st April, 2019 and applied the Standard to its leases. This has resulted in recognizing a Right-of-Use asset and a corresponding Lease Liability. The impact on the profits/losses for the quarter is insignificant.
- 11 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 August, 2019.
- 12 The figures of previous periods / year have been reclassified / regrouped, wherever necessary, to correspond with those of the current periods / year.



For ALOK INDUSTRIES LIMITED

Sunil O. Khandelwal
(Chief Financial Officer)

K. H. Gopal
(Company Secretary)

Taken on Record

Aiav Joshi
(On behalf of the Monitoring Committee)

Place: Mumbai
Date: 14th August, 2019

Shah Gupta & Co.
Chartered Accountants

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INDEPENDENT AUDITORS' REVIEW REPORT

To,
The Monitoring Committee (MC)
ALOK INDUSTRIES LIMITED
Mumbai

1. We have reviewed the accompanying statement of unaudited standalone financial results of **ALOK INDUSTRIES LIMITED** ("the Company") for the quarter ended June 30, 2019 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.

This Statement, is the responsibility of the Company's Management and is taken on record by the Company's MC and has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statements based on our review.

2. **Auditors Responsibility:**

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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. 6. 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, 2019 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 upto March 31, 2017, Rs. 1,423.11 crore. Considering the pending implementation of Approved Resolution Plan and absence of 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, 2019 was also qualified in respect of this matter.*



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- c) As mentioned in the note no. 9 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 June 30, 2019, and its loss, total comprehensive income for the quarter 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, which indicates that the Company recorded a total comprehensive income of Rs. (66.93) crores during the quarter ended June 30, 2019 and, as of that date, the Company's current liabilities exceeded its total assets by Rs. 12,986.77 crores. As stated in note no. 1 and 2 of the Standalone Financial Results, these events or conditions, along with other matters as set forth in note no. 3 of the Standalone Financial Results, indicate that 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. Attention is drawn to the fact that the figures for the quarter ended March 31, 2019 as reported in this Statement are the balancing figures between audited figures in respect of full previous financial year and the published year to date figures up to the end of third quarter of the previous financial year. The figures up to the end of third quarter of the previous financial year had only been reviewed and not subject to audit.

For **SHAH GUPTA & Co.**
Chartered Accountants
Firm Registration No.: 109574W



D. V. Bafal
Partner
Membership No.: 013107
UDIN: 19013107AAAABH2001



Place : Mumbai
Date : August 14, 2019

For **NBS & Co.**
Chartered Accountants
Firm Registration No. 110100W



Devdas V. Bhat
Partner
Membership No.: 048094
UDIN: 19048094AAAABM6999



Place : Mumbai
Date : August 14, 2019

Shah Gupta & Co.
Chartered Accountants

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INDEPENDENT AUDITORS' REVIEW REPORT

To,
The Monitoring Committee (MC)
ALOK INDUSTRIES LIMITED
Mumbai

1. We have reviewed the accompanying Statement of consolidated unaudited financial results of **ALOK INDUSTRIES LIMITED** ("the Parent") and its subsidiaries ("the Parent" and its subsidiaries together referred to as "the Group"), and its share of the net loss after tax and total comprehensive income of its joint ventures for the quarter ended June 30, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors and taken on record by the MC, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

2. Auditors Responsibilities

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

3. Basis of Qualified Opinion

- (i) *As per Indian Accounting Standard 36 on Impairments of Assets, the Parent is required to determine impairment in respect of fixed assets as per the methodology prescribed under the said Standard. However the Management of the Parent has not done impairment testing for the reasons explained in note no. 6. 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, 2019 was also qualified in respect of this matter.*



- (ii) As mentioned in note no. 5 of the Consolidated Financial Results, the Parent 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 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, 2019 was also qualified in respect of this matter.
- (iii) As mentioned in the note no. 9 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. The audit report on the Consolidated Financial Results for the year ended 31st March, 2019 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 unaudited Financial Results:

- (i) Include the results of the following entities:

a. Subsidiaries:

- i. Alok Infrastructure Limited
- ii. Alok Singapore Pte. Limited
- iii. Alok International (Middle East) FZE
- iv. Mileta, a.s.
- v. Alok Industries International Limited
- vi. Grabal Alok International Limited
- vii. Alok Worldwide Limited
- viii. Alok International Inc.

b. Jointly Controlled Entities:

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

- (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 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 Parent recorded a total comprehensive income of Rs. (66.93) crore during the quarter ended June 30, 2019 and, as of that date, the Parent current liabilities exceeded its total assets by Rs. 12,986.77 crore. As stated in note no. 1 and 2 of the Consolidated Financial Results, these events or conditions, along with other matters as set forth in note no. 3 of the Consolidated Financial Results, indicate that a material uncertainty exists that may cast significant doubt on the Parent ability to continue as a going concern.



- (ii) Independent Auditors of Alok Infrastructure Limited in their review report on Ind AS Financial Statements for the quarter ended June 30, 2019, 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 Limited incurred a net loss of Rs. (2.19) crore during the quarter ended June 30, 2019 and, as of that date, the Alok Infrastructure Limited total liabilities exceeded its total assets by Rs. 921.96 crore. As stated in note no. 9(a) of the Consolidated 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. Other Matter

- (i) *The Consolidated Financial Results include the Unaudited Financial Results of seven subsidiaries whose Ind AS Financial Statements reflect total assets of Rs. 1,352.16 crore as at June 30, 2019, total revenue of Rs. 49.74 crore, net profit after tax of Rs. 0.19 crore, and total comprehensive income amounting to Rs. 11.55 crore for the quarter 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. 0.26 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 subsidiaries and joint control entities, is based solely on such unaudited Ind AS Financial Statements. Our opinion on the Consolidated Financial Results is not 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 Statements for the year ended 31st March, 2019 was qualified in respect of this matter.*

- (ii) We did not review the Ind AS Financial Statements of one subsidiary whose financial results reflect total assets of Rs. 1,004.90 crore as at June 30, 2019, total revenues of Rs. 1.51 crore, total net loss after tax of Rs. 2.19 crore and total comprehensive income of Rs. (2.19) crore for the quarter ended on that date. These Ind AS Financial Results have been reviewed by the other auditor whose report has 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 subsidiary is based solely on the report of the other auditor. 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 report of other auditor.

7. Attention is drawn to the fact that the figures for the quarter ended March 31, 2019 as reported in this Statement are not reviewed as the Parent had opted for not presenting quarterly consolidated results.

For **SHAH GUPTA & Co.**
Chartered Accountants
Firm Registration No.: 109574W



D. V. Ballal
Partner
Membership No.: 013107
UDIN: 19013107AAAHC7548

Place : Mumbai
Date : August 14, 2019



For **NBS & Co.**
Chartered Accountants
Firm Registration No.: 110100W



Devdas V. Bhat
Partner
Membership No.: 048094
UDIN: 19048094AAAABN4845

Place : Mumbai
Date : August 14, 2019

