

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 February 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 : Approval of the un-audited financial results for quarter ended December 31, 2018.

Pursuant to Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Resolution Professional ('RP') on February 14, 2019 has considered and taken on record the un-audited financial results and limited review for the quarter ended December 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.3 & 5 of the notes to financial results which are reproduced below:

- “3. *The net deferred tax assets as on 31st December, 2018 is Rs. 1423.11 Crore (Previous Year Rs. 1423.11 Crore). 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, net 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 has been carried forward.*
5. *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. 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 result.”*

The Un-audited Financial Results for the quarter ended December 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 14th February, 2019.

The meeting commenced at 3.00 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.

Thanking you.
FOR ALOK INDUSTRIES LIMITED


K. H. GOPAL
COMPANY SECRETARY

Statement of Unaudited Standalone Financial Results for the Quarter and Nine Months Ended 31 December 2018

Rs in Crore (except EPS)

Sr No	Particulars	Standalone					Year ended 31.03.2018 (Audited)
		31.12.2018 (Unaudited)	Quarter ended 30.09.2018 (Unaudited)	31.12.2017 (Unaudited)	Nine Months Ended 31.12.2018 (Unaudited)	31.12.2017 (Unaudited)	
1	Income						
	a) Revenue from Operations (refer note 4)	675.68	896.06	952.35	2,358.25	4,540.14	5,381.95
	b) Other Income (refer note 8)	75.44	1.65	24.45	78.76	129.96	236.31
	Total Income (a + b)	751.12	897.71	976.80	2,437.01	4,670.10	5,618.26
2	Expenses						
	a) Cost of materials consumed	506.10	560.41	600.69	1,588.28	4,640.20	5,189.14
	b) Changes in Inventories of finished goods and work-in-progress	4.27	41.36	76.51	53.24	4.62	(26.22)
	c) Excise Duty (refer note 4)	-	-	-	-	48.33	48.33
	d) Employee benefits expense	61.68	61.27	70.09	188.02	211.92	275.68
	e) Finance costs (refer note 6)	1,091.22	1,151.62	838.08	3,289.07	3,641.13	4,682.87
	f) Depreciation and amortisation expense	136.87	130.41	126.88	400.43	387.43	527.81
	g) Other expenses (refer note 8)	210.15	317.62	291.72	739.75	742.83	980.08
	h) Bad debts written off	-	-	585.51	-	585.51	585.51
	i) Provision for doubtful debts and advances	0.22	1.73	3,136.00	1.95	11,307.43	11,561.20
	Total expenses [2 (a) to 2(i)]	2,010.51	2,264.42	5,725.48	6,260.74	21,569.40	23,824.40
3	Loss before tax (1 - 2)	(1,259.39)	(1,366.71)	(4,748.68)	(3,823.73)	(16,899.30)	(18,206.14)
4	Tax expense						
	(i) Current Tax	-	-	-	-	-	-
	(ii) Deferred Tax	-	-	-	-	-	(4.66)
	(iii) Provision for tax in respect of earlier years	-	-	-	-	(2.61)	15.85
	Total Tax expense	-	-	-	-	(2.61)	11.19
5	Net Loss for the period (3-4)	(1,259.39)	(1,366.71)	(4,748.68)	(3,823.73)	(16,896.69)	(18,217.33)
6	Other comprehensive income /(Loss)						
	(i) Items that will not be subsequently reclassified to profit or loss						
	(a) Remeasurements gains /(losses) on defined benefit plans	-	-	-	-	-	13.46
	(b) Income tax on (a) above	-	-	-	-	-	(4.66)
	Total Other comprehensive income /(Loss)	-	-	-	-	-	8.80
7	Total comprehensive Loss (5+6)	(1,259.39)	(1,366.71)	(4,748.68)	(3,823.73)	(16,896.69)	(18,208.53)
8	Paid up Equity Share Capital	1,368.63	1,368.63	1,357.87	1,368.63	1,357.87	1,368.63
	(Face Value Rs.10/- per equity share)						
9	Other Equity (excluding Revaluation Reserve)	-	-	-	-	-	(16,567.71)
10	Earnings per share (EPS) (of Rs.10 each) :						
	Basic (Rs.)	(9.26) *	(10.05) *	(34.97) *	(28.12) *	(124.44) *	(135.15)
	Diluted (Rs.)	(9.26) *	(10.05) *	(34.97) *	(28.12) *	(124.44) *	(135.15)
	* - Not annualised						

Notes :

- 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 18th 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").

The Resolution Plan submitted by the Resolution Applicant was approved by the Committee of Creditors with 72.192% assenting voting share and an application for the approval of Resolution Plan by the Adjudicating Authority was filed by the RP. The order on the plan approval application has been reserved by the Adjudicating Authority.

Post the commencement of the CIR process, the Company is continuing to operate as a going concern in terms of the Code and therefore the financial statements are being presented on a going concern basis.
- The Company has incurred a total comprehensive loss of Rs. 1259.39 Crore during the quarter and total comprehensive loss of Rs. 3823.73 Crore for nine months ended 31st December, 2018, The Company's accumulated losses amounted to Rs. 21766.17 Crore. Total liabilities of the Company as on 31st December, 2018 exceeded total assets by Rs. 19034.68 Crore.
- The net deferred tax assets as on 31st December, 2018 is Rs. 1423.11 Crore (Previous Year Rs. 1423.11 Crore). 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, net 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 has been carried forward.
- Revenue from operations for the period up to 30th June, 2017 included excise duty, which is discontinued with effect from 01st 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 nine months ended 31st December, 2018, is not comparable to the corresponding previous period.
- 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. 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.
- 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.



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- 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 Other Income for the quarter includes gain of Rs.71.51 Crore on account of foreign exchange fluctuation as per Ind AS 21 "The Effects of Changes in Foreign Exchange Rates" whereas in the previous quarter, loss of Rs.84.04 Crore on account of foreign exchange fluctuation was included in Other Expenses.
- 9 Alok Infrastructure Limited, a wholly owned subsidiary of the company has been admitted under the Corporate Insolvency Resolution Process in terms of the Insolvency and Bankruptcy Code 2016 on 24th October, 2018.
- 10 The above results are certified by the Chief Financial Officer and the Company Secretary and taken on record by the Resolution Professional at meeting held on 14 February 2019.
- 11 The figures of previous periods have been reclassified / regrouped, wherever necessary, to correspond with those of the current period.

Additional Disclosure as per Regulation 54 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

a The principal outstanding of the existing NCDs are 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	These NCD's have an asset cover of 1.01 times.

b The Company has created security in respect of the above NCDs, aggregating to Rs.630.99 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.344.98 Crore are secured by first pari passu charge created on fixed assets of the Company and NCDs of Rs.286.01 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
Sunil O. Khandelwal
(Chief Financial Officer)

K. H. Gopal
K. H. Gopal
(Company Secretary)

Taken on Record

Ajay Joshi
Ajay Joshi
(Resolution Professional)

Place: Mumbai
Date: 14th February, 2019



Shah Gupta & Co.
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Independent Auditors' Review Report

To
Resolution Professional
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 and nine months ended December 31, 2018 (the 'Statement') 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 05, 2016.

This statement is the responsibility of the Company's Management and taken on record by the Resolution Professional, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by 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.

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. 5. 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. 3, 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. Based on our review conducted as above, *except for the possible effects of the matter described in the paragraph 3 above*, nothing has come to our attention that causes us to believe that the accompanying statement prepared in accordance with applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies, 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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to the following matters:

Note no. 2 in the Standalone Financial Results, indicates that the Company incurred a total comprehensive loss of Rs. 1,259.39 Crore during the quarter and total comprehensive loss of Rs. 3,823.73 Crore for nine months ended December 31, 2018, the Company's current liabilities exceeded its total assets by Rs. 19,034.68 Crore and as stated in note no. 1, the events or conditions mentioned therein, 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 modified in respect of the above matters.

For **Shah Gupta & Co.**
Chartered Accountants
Firm Registration No-109574W



D.V. Ballal
Partner
M.NO.13107
Place: Mumbai
Date: February 14, 2019



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



Rahul Jain
Partner
M.NO.159635
Place: Mumbai
Date: February 14, 2019

