

# 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 November 2018

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
---	---

Dear Sirs,

**Subject: Approval of the un-audited financial results for quarter ended September 30, 2018**

This is in continuation to our letter dated October 30, 2018 informing submission of results on November 14, 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 applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that the Resolution Professional ('RP') on November 14, 2018 has considered and taken on record the un-audited financial results and limited review for the quarter ended September 30, 2018.

The Un-audited Financial Results for the quarter ended September 30, 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 November, 2018.

We further confirm that pursuant to the Regulation 52 (7) of the Listing Regulations, there has been no deviation in the use of proceeds of issue of NCDs from the object stated in their respective Information Memorandum.

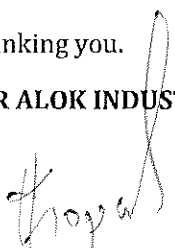
The meeting commenced at 3.00 p.m. and concluded at 6.55 p.m.

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](http://www.alokind.com).

The above is for your information and record.

Thanking you.

**FOR ALOK INDUSTRIES LIMITED**

  
**K. H. GOPAL**  
**COMPANY SECRETARY**

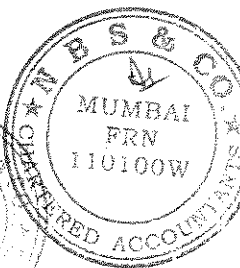
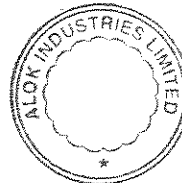
Statement of Unaudited Standalone Financial Results for the Quarter and Half Year Ended 30 September 2018

Rs in crores (except EPS)

Sr No	Particulars	Standalone					
		Quarter ended		Half Year ended		Year ended	
		30.09.2018 (Unaudited)	30.06.2018 (Unaudited)	30.09.2017 (Unaudited)	30.09.2018 (Unaudited)	30.09.2017 (Unaudited)	31.03.2018 (Audited)
<b>1</b>	<b>Income</b>						
	a) Revenue from Operations (refer note 5)	896.06	786.50	794.58	1,682.56	3,507.79	5,381.95
	b) Other Income	1.65	1.67	57.10	3.32	105.51	236.31
	<b>Total Income (a + b)</b>	<b>897.71</b>	<b>788.17</b>	<b>851.68</b>	<b>1,685.88</b>	<b>3,693.30</b>	<b>5,618.26</b>
<b>2</b>	<b>Expenses</b>						
	a) Cost of materials consumed	560.41	521.76	541.05	1,082.17	4,037.30	5,189.14
	b) Changes in inventories of finished goods and work in-progress	41.36	7.61	(67.77)	48.97	(71.90)	(26.22)
	c) Excise Duty (refer note 5)	-	-	-	-	48.33	48.33
	d) Employee benefits expense	61.27	65.07	73.33	126.34	141.82	275.68
	e) Finance costs (refer note 7)	1,151.62	1,046.23	1,965.59	2,197.85	2,803.05	4,682.87
	f) Depreciation and amortisation expense	130.41	133.15	126.55	263.56	260.56	527.81
	g) Other expenses (refer note 9)	317.62	211.97	222.48	529.59	451.12	980.08
	h) Bad debts written off	-	-	-	-	-	585.51
	i) Provision for doubtful debts and advances	1.73	-	3,500.34	1.73	8,171.43	11,561.20
	<b>Total expenses [2 (a) to 2(i)]</b>	<b>2,264.42</b>	<b>1,985.79</b>	<b>6,361.57</b>	<b>4,250.21</b>	<b>15,041.71</b>	<b>23,824.40</b>
<b>3.</b>	<b>Loss before tax (1 - 2)</b>	<b>(1,366.71)</b>	<b>(1,197.62)</b>	<b>(5,509.89)</b>	<b>(2,564.33)</b>	<b>(12,148.41)</b>	<b>(18,206.14)</b>
<b>4</b>	<b>Tax expense</b>						
	(i) Current Tax	-	-	(2.61)	-	(2.61)	-
	(ii) Deferred Tax	-	-	-	-	-	(4.66)
	(iii) Provision for tax in respect of earlier years	-	-	-	-	-	15.85
	<b>Total Tax expense</b>	<b>-</b>	<b>-</b>	<b>(2.61)</b>	<b>-</b>	<b>(2.61)</b>	<b>11.19</b>
<b>5</b>	<b>Net Loss for the period (7-8)</b>	<b>(1,366.71)</b>	<b>(1,197.62)</b>	<b>(5,507.28)</b>	<b>(2,564.33)</b>	<b>(12,145.80)</b>	<b>(18,217.33)</b>
<b>6</b>	<b>Other comprehensive income / (Loss)</b>						
	(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)
	<b>Total Other comprehensive income / (Loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.80</b>
<b>7</b>	<b>Total comprehensive Loss (5+6)</b>	<b>(1,366.71)</b>	<b>(1,197.62)</b>	<b>(5,507.28)</b>	<b>(2,564.33)</b>	<b>(12,145.80)</b>	<b>(18,208.53)</b>
<b>8</b>	<b>Paid up Equity Share Capital</b>	<b>1,368.63</b>	<b>1,368.63</b>	<b>1,357.87</b>	<b>1,368.63</b>	<b>1,357.87</b>	<b>1,368.63</b>
<b>9</b>	<b>Other Equity (excluding Revaluation Reserve)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16,567.71)</b>
<b>10</b>	<b>Earnings per share (EPS) (of Rs.10 each) :</b>						
	Basic (Rs.)	(10.05) *	(8.81) *	(40.56) *	(18.86) *	(89.45) *	(133.96)
	Diluted (Rs.)	(10.05) *	(8.81) *	(40.56) *	(18.86) *	(89.45) *	(133.96)
	* - Not annualised						

Standalone Statement of Assets and Liabilities as at 30.09.2018

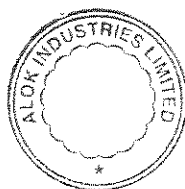
Particulars	(Rs. in crores)	
	As At 30-Sep-18 Unaudited	As At 31-Mar-18 Audited
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, Plant and Equipment (refer note 6)	14,913.59	15,125.29
(b) Capital work-in-progress	-	-
(c) Investment Property	7.94	8.06
(d) Other Intangible assets	0.93	1.03
(e) Financial Assets		
(i) Investments	92.43	92.43
(ii) Loans	901.36	942.33
(iii) Others	114.69	149.91
(f) Deferred tax Assets (net) (refer note 4)	1,423.11	1,423.11
(g) Current tax assets (net)	37.51	36.08
(h) Other non-current assets	38.47	38.38
	<b>17,530.03</b>	<b>17,816.62</b>
<b>(2) Current Assets</b>		
(a) Inventories	294.27	360.25
(b) Financial assets		
(i) Trade receivables	237.20	207.36
(ii) Cash and cash equivalents	32.05	31.49
(iii) Bank balances other than (ii) above	8.81	12.17
(iv) Loans	-	-
(v) Others	4.34	2.64
(c) Other Current Assets	161.81	148.94
	<b>738.48</b>	<b>762.85</b>
<b>TOTAL ASSETS</b>	<b>18,268.51</b>	<b>18,579.47</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share capital	1,368.63	1,368.63
(b) Other equity	(19,158.29)	(16,567.70)
	<b>(17,789.66)</b>	<b>(15,199.07)</b>
<b>LIABILITIES</b>		
<b>(1) Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	6,504.16	7,123.22
(b) Provisions	34.31	35.68
(c) Current tax Liabilities (net)	121.53	121.53
	<b>6,660.00</b>	<b>7,280.43</b>
<b>(2) Current Liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	19,000.12	17,145.70
(ii) Trade payables		
- Dues to micro and small enterprises	11.65	11.91
- Dues to Others	711.34	774.34
(iii) Other financial liabilities	9,319.61	8,214.89
(b) Other current liabilities	349.86	345.69
(c) Provisions	5.58	5.58
	<b>29,398.17</b>	<b>26,498.11</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>18,268.51</b>	<b>18,579.47</b>



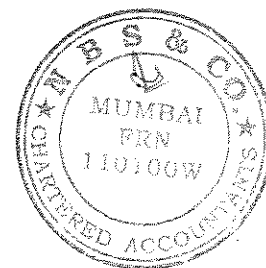
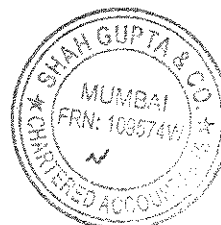
2 f k

**Notes :**

- 1 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").  
  
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 application is currently pending adjudication 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. 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.
- 2 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.
- 3 The Company has incurred a total comprehensive loss of Rs. 1366.71 crores during the quarter and total comprehensive loss of Rs. 2564.33 crores for half year ended 30 September 2018, The Company's accumulated losses amounted to Rs. 20506.79 crores. Total liabilities of the Company as on 30 Sept 2018 exceeded total assets by Rs. 17789.66 crores.
- 4 The net deferred tax assets as on 30 September 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, 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 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 half year ended 30 September 2018, is not comparable to the corresponding previous period.
- 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. 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.
- 7 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.
- 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 Other expenses includes Rs. 84.03 crores loss on account of foreign exchange fluctuations as per Ind AS 21 "The Effects of Changes In Foreign Exchange Rates".
- 10 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 24 October 2018.
- 11 The above results are certified by Chief Financial Officer and Company Secretary and taken on record by the Resolution Professional at meeting held on 14 November 2018.
- 12 The figures of previous period have been reclassified / regrouped, wherever necessary, to correspond with those of the current period.



*A. J. Joshi*



cont. on ...3

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

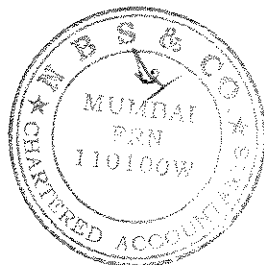
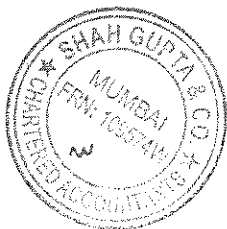
Sr. No.	Particulars	As at 30th September, 2018
(a)	Credit Rating	Refer note 1 below
(b)	Asset Cover available	Refer note 2 below
(c)	Debt - Equity Ratio	NIL in view of the negative net worth of the Company.
(d)	Previous Due Dates for the payment of interest of Non-Convertible Debentures (NCDs):	
	(i) 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 October, 2018 (Refer Note 3 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 August, 2018 (Refer Note 3 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	31st January, 2019 (Refer Note 3 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 February, 2019 (Refer Note 3 below)
(h)	Debt-Service Coverage Ratio (in times) for the half year ended 30.9.2018 (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 half year ended 30.9.2018 (PBDIT excluding exceptional items / (Gross Interest))	NIL in view of the negative EBITDA
(j)	Debenture Redemption Reserve (Rs. in Crores)	81.97 No further addition to these reserves on account of losses
(k)	Net Worth (Rs. in Crores)	(17789.66)
(l)	Net Profit After Tax for the half year ended 30.9.2018 (Rs. in Crores)	(2564.33)
(m)	Basic Earning Per share for the half year ended 30.9.2018 (In Rs.)	(18.86)

Notes:

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

11.50% NCDs issued on 29.06.2010	These were secured through a subservient charge on the entire movable assets of the Company (excluding land and building). As on date, however 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	Pari passu first charge on the entire movable and immovable assets of the Company with an asset cover of 1.03 times.

- The Company is currently undergoing a corporate insolvency resolution process (CIRP) under IBC 2016. In accordance therewith, a resolution plan has been approved by the Committee of Creditors with the requisite assenting percentage of votes and is awaiting adjudication by the National Company Law Tribunal, Ahmedabad Bench (NCLT) pursuant to the application filed by the Resolution Professional. Upon disposal of the same by the NCLT, the final position regarding the payment of interest and the principal amount of these NCDs will be known.
- The Company has created security in respect of these NCDs by way of pari passu charge on the immovable property situated at Mouje Irana, Taluka Kadi, District Mehsana in the State of Gujarat. Further NCDs of Rs.344.98 Crores are secured by first pari passu charge created on fixed assets of the Company and NCDs of Rs.286.01 Crores 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

Atav Joshi  
(Resolution Professional)

**Shah Gupta & Co.**  
**Chartered Accountants**  
38, Bombay Mutual Building,  
Dr. D. N. Road, Fort,  
Mumbai - 400001  
Tel: +91(22) 4085 1000

**N B S & Co.**  
**Chartered Accountants**  
14/2, Western India House,  
Sir P. M. Road, Fort,  
Mumbai - 400001  
Tel: +91(22) 2287 0588

### Independent Auditors' Review Report

To  
Resolution Professional  
**ALOK INDUSTRIES LIMITED**  
Mumbai

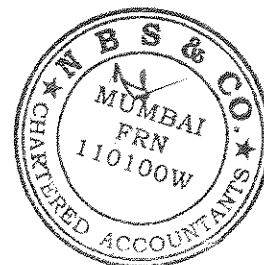
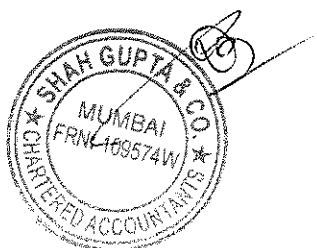
1. We have reviewed the accompanying **Statement of Unaudited Standalone Financial Results** of **ALOK INDUSTRIES LIMITED** (the 'Company') for the quarter and half year ended September 30, 2018 (the 'Statement') being submitted by the Company pursuant to the requirement of Regulation 33 & 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 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. 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.
- (ii) As mentioned in note no. 4, 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 & 52 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:

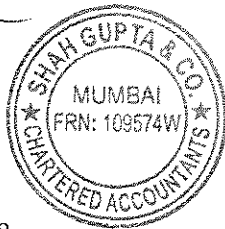
Note no. 3 in the Standalone Financial Results, indicates that the Company incurred a total comprehensive loss of Rs. 1366.71 crores during the quarter and total comprehensive loss of Rs. 2564.33 crores for half year ended September 30, 2018, the Company's current liabilities exceeded its total assets by Rs. 17,789.66 crores and as stated in note no. 1, the events or conditions mentioned therein, along with other matters as set forth in note no. 2, 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. Bhalal**  
Partner  
M.NO.13107  
Place: Mumbai  
Date: November 14, 2018



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



**Devdas V. Bhat**  
Partner  
M.NO. 48094  
Place: Mumbai  
Date: November 14, 2018

